



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: 23.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 17.05.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Kommisjon		153 621 105	175 797 765
Annen		4 026 029	4 986 075
Sum inntekter		157 647 134	180 783 840
Kostnader			
Lønn- og personalkostnader	3	130 372 313	137 189 315
Avskrivninger	4	378 565	736 812
Annen driftskostnad	3	11 961 208	12 932 512
Sum kostnader		142 712 086	150 858 639
Driftsresultat		14 935 048	29 925 201
Finansinntekter og finanskostnader			
I	5	17 334 195	19 854 707
Inn	5	1 112 299	1 068 678
Annen finansinntekt		5 827 164	350 258
Sum finansinntekter		24 273 658	21 273 643
Annen finanskostnad		110 863	8 287 195
Sum finanskostnader		110 863	8 287 195
Netto finans	1	24 162 795	12 986 448
Ordinært resultat før skattekostnad		39 097 843	42 911 649
Skattekostnad	7	4 558 010	5 313 433
Ordinært resultat etter skattekostnad		34 539 833	37 598 216
Årsresultat		34 539 833	37 598 216
Overføringer og disponeringer			
Ordinært utbytte	8	12 705 221	17 963 638
Overføringer til/fra annen egenkapital	8	21 834 612	19 634 578
Sum overføringer og disponeringer		34 539 833	37 598 216



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	921 918	1 101 023
Sum immaterielle eiendeler		921 918	1 101 023
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	704 887	1 066 653
Sum varige driftsmidler		704 887	1 066 653
Finansielle anleggsmidler			
Investering i datterselskap	5	39 893 487	47 003 920
Lån til foretak i samme konsern	13	12 044 492	14 296 330
Investeringer i tilknyttet selskap	5	470 891	408 592
Investeringer i aksjer og andeler	6	6 844 560	130 000
Sum finansielle anleggsmidler		59 253 430	61 838 842
Sum anleggsmidler		60 880 235	64 006 518
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12,13	25 925 962	19 729 718
Andre fordringer		4 489 270	3 569 988
Fordring tilknyttet selskap	5	1 050 000	1 050 000
Sum fordringer		31 465 232	24 349 706
Bankinnskudd, kontanter og lignende			
Bankinnskudd NOK		97 096 803	100 101 317
Bankinnskudd utlandsk valuta		35 597 564	49 168 723
Sum bankinnskudd, kontanter og lignende	1,11	132 694 367	149 270 040
Sum omløpsmidler		164 159 599	173 619 746
SUM EIENDELER		225 039 834	237 626 264



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8	1 200 000	1 200 000
Sum innskutt egenkapital		1 200 000	1 200 000
Opptjent egenkapital			
F		38 312 409	45 422 842
A		74 909 663	64 671 046
Sum opptjent egenkapital		113 222 072	110 093 888
Sum egenkapital		114 422 072	111 293 888
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		2 473 873	1 222 440
Betalbar skatt	7	4 378 906	5 482 915
S		5 029 215	5 556 842
Utbytte	8	12 705 221	17 963 638
Annen kortsiktig gjeld		86 030 547	96 106 541
Sum kortsiktig gjeld		110 617 762	126 332 376
Sum gjeld		110 617 762	126 332 376
SUM EGENKAPITAL OG GJELD		225 039 834	237 626 264



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Kommisjoner		266 496 022	291 377 779
Annen inntekt		4 026 029	4 986 075
Sum inntekter		270 522 051	296 363 854
Kostnader			
Lønn- og personalkostnader	3	208 321 985	216 389 396
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	870 717	1 036 591
Andre driftskostnader	3	22 323 931	25 462 859
Sum kostnader		231 516 633	242 888 846
Driftsresultat		39 005 418	53 475 008
Finansinntekter og finanskostnader			
Inntekt fra tilknyttet selskap	5	1 112 299	1 068 678
Annen finansinntekt		7 070 671	3 289 406
Sum finansinntekter		8 182 970	4 358 084
Annen finanskostnad		110 863	6 287 195
Sum finanskostnader		110 863	6 287 195
Netto finans	1	8 072 107	-1 929 111
Ordinært resultat før skattekostnad		47 077 525	51 545 897
Skattekostnad	7	8 263 658	9 397 023
Ordinært resultat etter skattekostnad		38 813 867	42 148 874
Årsresultat		38 813 867	42 148 874



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	921 918	1 101 023
Sum immaterielle eiendeler		921 918	1 101 023
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	2 174 949	2 904 737
Sum varige driftsmidler		2 174 949	2 904 737
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	5	470 891	408 592
Investeringer i aksjer og andeler	6	6 844 560	130 000
Sum finansielle anleggsmidler		7 315 451	538 592
Sum anleggsmidler		10 412 318	4 544 352
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12,13	43 040 378	36 512 699
Andre fordringer		6 242 910	4 825 936
Fordring tilknyttet selskap	5	1 050 000	1 050 000
Sum fordringer		50 333 288	42 388 635
Bankinnskudd, kontanter og lignende			
Bankinnskudd NOK		97 096 803	100 101 317
Bankinnskudd utelandsk valuta		109 026 605	127 018 429
Sum bankinnskudd, kontanter og lignende	1,11	206 123 408	227 119 746
Sum omløpsmidler		256 456 696	269 508 381
SUM EIENDELER		266 869 014	274 052 733



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8,9	1 200 000	1 200 000
Sum innskutt egenkapital		1 200 000	1 200 000
Opptjent egenkapital			
Annen egenkapital	8	111 545 694	103 697 300
Sum opptjent egenkapital		111 545 694	103 697 300
Sum egenkapital		112 745 694	104 897 300
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		720 311	2 865 612
Betalbar skatt	7	8 197 001	10 350 814
SKyldig offentlige avgifter		5 029 215	5 556 844
Utbytte	8	12 705 221	17 963 638
Annen kortsiktig gjeld		126 436 623	132 268 777
Annen kortsiktig gjeld	3	1 034 949	149 748
Sum kortsiktig gjeld		154 123 320	169 155 433
Sum gjeld		154 123 320	169 155 433
SUM EGENKAPITAL OG GJELD		266 869 014	274 052 733



STEEM1960
SHIPBROKERS

Steem1960 Shipbrokers'

**FINANCIAL STATEMENT
PARENT COMPANY
GROUP
2021**

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BOARD OF DIRECTORS STATEMENT 2021

Corporation

Steem1960 is an international shipbroking company headquartered in Oslo, an office in Bergen and subsidiaries in Singapore and Houston. Steem1960 predominantly covers Gas, Chemicals, Products, and all aspects of project/S&P business, including Research.

Financial Statement

The operating income for 2021 of NOK 157 647 134 shows a decrease from 2020 of NOK 23 136 706.

Operating profit was down from NOK 29 925 201 in 2020 to NOK 14 935 048 in 2021.

Total group revenue has decreased from 2020 with 8,7 % and ended at NOK 270 507 051.

Net financial income for the parent company in 2021 was NOK 24 162 795, 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 4 558 011, and this year's annual net profit is NOK 34 539 833.

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

Dividend	NOK 12 705 221
To other equity	<u>NOK 21 834 612</u>
Net brought forward	<u>NOK 34 539 833</u>

The Group Annual net profit is NOK 38 798 867, after NOK 8 263 657 in calculated taxes.

The parent company's equity as of December 31st 2021 is NOK 114 422 072, whereas NOK 1 200 000 is restricted share capital, NOK 38 312 409 is a restricted reserve for valuation variances and profit from subsidiaries. NOK 74 909 663 is retained earnings from operations.

The company's equity ratio is 50,8 %.

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 2022 and the company's and group's long-term strategic forecasts. The company's economic and financial position is sound.

True and fair view

The Board of Directors considers the Financial Statement for 2021, 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 49 employees in Oslo, 28 in Singapore, and 6 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.

Due to the Covid-19 situation, employees in all three countries have most of the year worked remote from their homes. This situation has required a new form of communication and cooperation between employees, offices, and management. The different offices and departments have skillfully handled this. Management is proud of all employees for their ability to adapt to new working habits and changes.

There are no reports of injuries or accidents among employees throughout the year. The registered sick leave in the Oslo office is 13 days, which equals 0,92 % of total work hours. In 2021 and forward, we have no long-term leaves. Due to primarily remote work, the sick leave is very low, and when returning to the office location, we assume that the sick leave ratio will return to our historical 3 - 5 % of total working days.

The Board of Directors consists of two men and one woman. The business is run in accordance with the Gender Equality Act.

Stem1960 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 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 2021, employees with different nationalities were working with the company.

Future outlook

Looking back at the past two years, we are well satisfied with how our offices have dealt with the constraints caused by the pandemic. The post-covid market is likely to present many new possibilities within shipbroking. We also expect the focus on more eco-friendly shipping to increase, and our company is well-positioned to take part in this development. The recent geopolitical developments in Eastern Europe causing trade sanctions and substantial price fluctuations on raw materials make the market difficult to forecast.

Steem1960 is nevertheless well prepared for 2022 with experienced and well-proportioned teams on chartering, S&P/Project, as well as Research and Post-fixures.

Oslo, 10. March 2022
Board of Directors in Steem1960 Shipbrokers AS

Rolf Olsen
Chairman

Olav Vikøren
Board member

Torje Lyng Olsen
Board member

S. Botolf Sundby
CEO



STEEM 1960

SHIPBROKERS

PARENT COMPANY

GROUP

REVENUE STATEMENT

all amounts in NOK

2020	2021		Note	2021	2020
		Operating income			
175 797 765	153 621 105	Commissions		266 496 022	291 377 779
<u>4 986 075</u>	<u>4 026 029</u>	other revenue		<u>4 026 029</u>	<u>4 986 075</u>
<u>180 783 840</u>	<u>157 647 134</u>	Operating income	1,2	<u>270 522 051</u>	<u>296 363 854</u>
		Operating expenses			
137 189 315	130 372 313	Salaries and other personnel expenses	3	208 321 985	216 389 396
736 812	378 565	Depreciation	4	870 717	1 036 591
<u>12 932 512</u>	<u>11 961 208</u>	Other operating expenses	3	<u>22 323 932</u>	<u>25 462 860</u>
<u>150 858 639</u>	<u>142 712 086</u>	Operating expenses		<u>231 516 634</u>	<u>242 888 847</u>
<u>29 925 201</u>	<u>14 935 048</u>	Operating result		<u>39 005 418</u>	<u>53 475 008</u>
		Financial income and cost			
19 854 707	17 334 195	Income from subsidiaries, equity method	5	0	0
1 068 678	1 112 299	Income from associated companies	5	1 112 299	1 068 678
350 258	5 827 164	Other financial income		7 070 671	3 289 406
<u>-8 287 195</u>	<u>-110 863</u>	Other financial expenses		<u>-110 863</u>	<u>-6 287 195</u>
<u>12 986 448</u>	<u>24 162 795</u>	Net financial items	1	<u>8 072 107</u>	<u>-1 929 111</u>
<u>42 911 649</u>	<u>39 097 844</u>	Operating result before tax		<u>47 077 524</u>	<u>51 545 897</u>
<u>-5 313 433</u>	<u>-4 558 011</u>	Tax on ordinary result	7	<u>-8 263 657</u>	<u>-9 397 023</u>
<u>37 598 216</u>	<u>34 539 833</u>	Annual net profit		<u>38 813 867</u>	<u>42 148 874</u>
		Brought forward			
19 634 578	21 834 612	To other equity	8		
<u>17 963 638</u>	<u>12 705 221</u>	Dividend	8		
<u>37 598 216</u>	<u>34 539 833</u>	Net brought forward			



STEEM 1960

SHIPBROKERS

Parent company		BALANCE		Group statement	
		All amounts in NOK			
2020	2021	ASSETS	Note	2021	2020
		Fixed assets			
		Intangible Assets			
<u>1 101 023</u>	<u>921 918</u>	Deferred tax asset	7	<u>921 918</u>	<u>1 101 023</u>
<u>1 101 023</u>	<u>921 918</u>	Total intangible assets		<u>921 918</u>	<u>1 101 023</u>
		Tangible fixed assets			
<u>1 066 653</u>	<u>704 887</u>	Equipment and other movables	4	<u>2 174 949</u>	<u>2 904 737</u>
<u>1 066 653</u>	<u>704 887</u>	Total tangible fixed assets		<u>2 174 949</u>	<u>2 904 737</u>
		Financial fixed assets			
47 003 920	39 893 487	Investments in subsidiaries	5	0	0
14 296 330	12 044 492	Loan to group companies	13	0	0
408 592	470 891	Investments in associated companies	5	470 891	408 592
<u>130 000</u>	<u>6 844 560</u>	Investments in shares	6	<u>6 844 560</u>	<u>130 000</u>
<u>61 838 842</u>	<u>59 253 430</u>	Total financial fixed assets		<u>7 315 451</u>	<u>538 592</u>
<u>64 006 518</u>	<u>60 880 234</u>	Total fixed assets		<u>10 412 318</u>	<u>4 544 352</u>
		Current assets			
		Debtors			
19 729 718	25 925 962	Account receivables	12,13	43 040 378	36 512 699
3 569 988	4 489 270	Other receivables		6 242 911	4 825 936
<u>1 050 000</u>	<u>1 050 000</u>	Receivables associated companies	5	<u>1 050 000</u>	<u>1 050 000</u>
<u>24 349 707</u>	<u>31 465 232</u>	Total debtors		<u>50 333 288</u>	<u>42 388 635</u>
		Cash and bank deposits			
100 101 317	97 096 803	Bank deposits Norwegian kroner		97 096 803	100 101 317
<u>49 168 722</u>	<u>35 597 565</u>	Bank deposit other currencies		<u>109 026 605</u>	<u>127 018 432</u>
<u>149 270 039</u>	<u>132 694 368</u>	Total cash and bank deposits	1,11	<u>206 123 408</u>	<u>227 119 747</u>
<u>173 619 746</u>	<u>164 159 600</u>	Total current assets		<u>256 456 696</u>	<u>269 508 382</u>
<u>237 626 264</u>	<u>225 039 834</u>	TOTAL ASSETS		<u>266 869 014</u>	<u>274 052 733</u>



STEEM 1960

SHIPBROKERS

PARENT COMPANY

GROUP

2020	2021	EQUITY AND LIABILITIES	Note	2021	2020
EQUITY					
Restricted equity					
<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>
Retained earnings					
45 422 842	38 312 409	Fund for valuation differences			
<u>64 671 046</u>	<u>74 909 663</u>	Retained earnings		<u>111 545 694</u>	<u>103 697 300</u>
<u>110 093 888</u>	<u>113 222 072</u>	Total retained earnings	8	<u>111 545 694</u>	<u>103 697 300</u>
<u>111 293 888</u>	<u>114 422 072</u>	Total equity		<u>112 745 694</u>	<u>104 897 300</u>
Current liabilities					
5 556 842	5 029 215	Public duties payable		5 029 215	5 556 842
0	0	Accrued fees	3	1 034 948	149 747
5 482 915	4 378 906	Tax payable	7	8 197 001	10 350 814
17 963 638	12 705 221	Dividends	8	12 705 221	17 963 638
1 222 440	2 473 873	Trade creditors		720 311	2 865 612
<u>96 106 541</u>	<u>86 030 547</u>	Other short term liabilities		<u>126 436 622</u>	<u>132 268 775</u>
<u>126 332 376</u>	<u>110 617 761</u>	Total current liabilities		<u>154 123 318</u>	<u>169 155 432</u>
<u>126 332 376</u>	<u>110 617 761</u>	Total liabilities		<u>154 123 318</u>	<u>169 155 432</u>
<u>237 626 264</u>	<u>225 039 834</u>	Total equity and liabilities		<u>266 869 014</u>	<u>274 052 733</u>

Oslo 10. March 2022

The Board Steem 1960 Shipbrokers AS

Rolf Olsen
Chairman

S. Borolf Sundby
CEO

Olav Vikøren
Boardmember

Tonje Lyng-Olsen
Boardmember



Parent company

Financial statement 2021

Cash Flow Statement

	2021	2020
Cash flow operations		
Profit before tax	39 097 844	42 911 649
Paid taxes	-5 482 915	-5 369 136
Depreciation	378 565	736 812
Changes accounts receivables	-6 196 244	3 905 870
Changes accounts payable	1 251 433	-1 833 058
Changes in other timelimited accounts	-11 430 980	-22 655 129
Net Cash flow operations	17 617 703	17 697 008
Cash flow investments		
Net changes in fixed assets	-16 799	203 495
Net changes in financial assets	3 787 062	2 364 606
Net Cash flow investments	3 770 263	2 568 101
Cash flow financials		
Paid out dividend	-37 963 638	-13 252 499
Net Cash flow financials	-37 963 638	-13 252 499
Net total changes Cash flow	-16 575 672	7 012 610
Cash and bankdeposits 1.1	149 270 039	142 257 428
Cash and bankdeposits 31.12	132 694 368	149 270 039



STEEM 1960
SHIPBROKERS

Group	Financial Statement 2021	
Cash Flow Statement		
	2021	2020
Cash flow operations		
Profit before tax	47 077 524	51 545 897
Paid taxes	-10 350 814	-10 008 682
Depreciation	870 717	1 036 591
Changes accounts receivables	-6 417 114	16 806 068
Changes accounts payable	-2 145 301	-7 109 930
Changes in other time limited accounts	-6 767 882	-23 710 371
Net Cash flow operations	22 267 130	28 559 573
Cash flow investments		
Net changes in fixed assets	140 929	1 112 012
Net changes financial assets	-6 776 859	282 177
Net Cash flow investments	-6 635 930	1 394 189
Cash flow financials		
		-
Paid out dividend	-36 627 539	-13 252 499
Net Cash flow financials	-36 627 539	-13 252 499
Net changes total cash flow	-20 996 339	16 701 263
Cash and bankdeposits 1.1.	227 119 747	210 418 484
Cash and bankdeposits 31.12	206 123 408	227 119 747



Parent Company and Group statements

Notes to Financial Statement 2021

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 2021 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 2021 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 or 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 2021 the company sold USD 19 200 000 at an average exchange rate of USD/NOK = 8,7135



At balance sheet date the company has sold USD 6 200 000 for future exchange in 2022.

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 income	Other income	Total
Parentcompany Norway Income	153 621 105	4 026 029	157 647 134
Group Income	266 496 022	4 026 029	270 522 051
Geographically distributed between the group Income	Norway	Singapore	USA
	157 647 134	88 309 489	24 565 427

Note 3 - Payroll expenses

Parent company	2021	2020	
Salary	106 681 975	112 660 489	
Employer tax	15 928 863	16 182 769	
Pension cost	4 890 583	4 884 584	
Other benefits	2 870 892	3 461 473	
	<u>130 372 313</u>	<u>137 189 315</u>	
Number of employees	49	51	
Group	2021	2020	
Salary	175 106 629	182 292 388	
Employer tax	19 404 169	19 732 455	
Pension cost	8 217 637	8 181 787	
Other benefits	5 593 552	6 182 765	
	<u>208 321 985</u>	<u>216 389 396</u>	
Number of employees	83	84	
Remuneration		CEO	Board of directors
Remuneration			390 000
Salary		5 095 174	
Individual pension and insurance cost		14 046	
Other individual income to CEO		4 392	
		<u>5 113 612</u>	<u>390 000</u>

The Managing Director (CEO) holds an additional agreement of two years pay after termination of employment.

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 2021 is a total of NOK 86 000 which is mandatory audit by law. All amounts are exclusive of VAT.

Group

Remuneration to audit for the Financial year 2021 for the entire group is NOK 281 416, whereas NOK 143 535 is mandatory audit and NOK 137 881 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 2021 are NOK 4 890 583.

In Our Houston office there is a 401K pension plan set up. Total deposit for 2020 are USD 35 890.

Note 4 - Tangible fixed assets

Parent company	Equipment	Software	Inventory	Offices	Total
Acquisition cost 01.01	2 281 118	1 783 449	704 121	3 534 145	8 302 833
Additions during the year	16 798				
Disposals during the year					
Acquisitions cost 31.12	<u>2 297 916</u>	<u>1 783 449</u>	<u>704 121</u>	<u>3 534 145</u>	<u>8 319 631</u>
Accumulated ordinary depreciation	2 123 792	1 783 449	704 121	3 003 383	7 614 745
Book value 31.12	<u>174 124</u>	<u>-</u>	<u>-</u>	<u>530 762</u>	<u>704 887</u>
Depreciation during the year	<u>53 681</u>			<u>324 884</u>	<u>378 565</u>
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 actual tenancy agreement is not capitalized, yearly rent is NOK 5 432 865

Group	Equipment and Software	Inventory	Offices	Total
Acquisition cost 01.01	7 432 251	3 272 049	3 534 145	14 238 445
Additions during the year	50 601	90 328		140 929
Disposals during the year				
Acquisitions cost 31.12	<u>7 482 852</u>	<u>3 362 377</u>	<u>3 534 145</u>	<u>14 379 374</u>
Accumulated ordinary depreciation	6 762 882	2 438 160	3 003 383	12 204 425
Book value 31.12	<u>719 970</u>	<u>924 217</u>	<u>530 762</u>	<u>2 174 949</u>
Depreciation during the year	<u>527 134</u>	<u>18 694</u>	<u>324 884</u>	<u>870 717</u>
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 2 015 815 17 334 195	USD 514 850 4 427 247
Result of investments in subsidiaries	17 334 195	4 427 247
Value on balances sheet		
Value 01.01	46 693 920	310 000
This years result	17 334 195	-
Currency variances	1 293 572	-
received dividend	-25 738 200	-
Value 31.12	39 583 487	310 000

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

Affiliated company	Steensland
Office	Containerships AS
Ownership	Oslo 50 %
Acquisition cost	165 000
Profit/loss	2 224 598
Result of investments in affiliated company	1 112 299
Value on balances sheet	
Value 01.01	408 592
This years result	1 112 299
received dividend	-1 050 000
Value 31.12	470 891

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	6 844 560	6 844 560	-	-

The company Fix Investments AS is 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	2021	2020
Profit before tax	39 097 844	42 911 649
Permanent differences	-18 379 609	-18 764 501
Changes in temporary differences	-814 115	775 192
Basis for tax payable	<u>19 904 121</u>	<u>24 922 341</u>
Tax payable 22 %/ 23 %	<u>4 378 907</u>	<u>5 482 915</u>
Tax on ordinary result		
Tax payable	4 378 907	5 482 915
Changes in deferred tax	179 105	-169 482
Total tax expenses	<u>4 558 012</u>	<u>5 313 433</u>

Specification of temporary differences

	2021	2020	Changes
Tangible fixed assets	-173 116	-311 911	
Receivables	36 975	-638 344	
Other temporary differences	-	-	
	<u>-136 141</u>	<u>-950 255</u>	<u>-814 114</u>
Dividend booked as income	31 500	31 500	
Shares outside the exemption method	-4 085 895	-4 085 895	
Total tax deductible differences	<u>-4 190 536</u>	<u>-5 004 650</u>	<u>814 114</u>
Deferred tax 22 %	<u>-921 918</u>	<u>-1 101 023</u>	<u>-179 105</u>

Group

Tax calculation for 2021 in Singapore is calculated as follows:

	USD
Profit before taxation	2 417 085
Add Non-deductible expenses	271 735
Other non deductible	26 253
Less Non-taxable income	-92 200
Partial tax exemption and tax relief	-76 282
Taxable income	<u>2 546 591</u>
Tax thereon 17 %	432 920
Under provision in prior year	<u>-26 747</u>
Taxation	<u>406 173</u>

Tax calculation in Houston, Texas

There is no income taxation on the company in Houston, Texas, USA, as the company has a deficit per 31.12.2021. But the company pay Property tax, for 2021 this was USD 273,92 and Franchise Tax, for 2021 this was USD 6 335,03.

Tax expenses Group:	2021	2020
Tax payable on net income	<u>8 197 001</u>	<u>10 350 814</u>
Taxes payable on ordinary result	8 197 001	10 350 814
Changes in deferred taxes	66 656	-953 791
Tax on ordinary profit	<u>8 263 657</u>	<u>9 397 023</u>



Note 8 - Equity capital

Parent company

	Share capital	Other E.Q	Revaluation	Total
Equity capital 01.01.	1 200 000	64 671 046	45 422 842	111 293 887
Other EQ changes		-37 334 195	18 627 767	-18 706 428
Received dividend		25 738 200	-25 738 200	-
Allocated dividend		-12 705 221		-12 705 221
Net income		34 539 833		34 539 833
Equity capital 31.12.	1 200 000	74 909 663	38 312 409	114 422 072

Group

	Share capital	Other E.Q	Revaluation	Total
Equity capital 01.01.	1 200 000	103 697 300	-	104 897 300
This year's change in equity capital		-20 000 000		-20 000 000
Conversion difference		1 754 749		1 754 749
Allocated dividend		-12 705 221		-12 705 221
Net income		38 798 867		38 798 867
Equity capital 31.12.	1 200 000	111 545 694	-	112 745 694

Note 9 - Share capital and shareholders

Shareholder information

Ownership structure

Shareholders per. 31.12.21 were:

	Ordinary shares	Total Share capital	Ownership	Voting rights
Steenlandfondet	30 000	120 000	10,00 %	10,00 %
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 Lic	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 %
Peter Graff	4 411	17 644	1,47 %	1,47 %
Aksel Qvist	4 411	17 644	1,47 %	1,47 %
Jesper Gundersen	4 411	17 644	1,47 %	1,47 %
Anders S Nordahl	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	300 000	1 200 000	100 %	100 %

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



Note 10 - Mortgages and guarantees

	2021	2020
Capitalized debt secured by mortgage etc.		
Rent guarantee Olav Thon Eiendom	<u>3 000 000</u>	<u>3 000 000</u>
Debt to credit institutions (cash credit)		
Total	<u>3 000 000</u>	<u>3 000 000</u>

Carrying value of assets pledged as security for mortgage debt.

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

Note 11 - Restricted bank deposits

	2021	2020
Parent company		
Restricted tax withholdings	<u>2 309 690</u>	<u>2 295 754</u>
Group		
Restricted tax withholdings	<u>2 309 690</u>	<u>2 295 754</u>

Note 12 - Accounts receivable

	2021	2020
Parent company		
Accounts receivable	<u>25 925 962</u>	<u>19 729 718</u>
Group		
Accounts receivable	<u>47 998 918</u>	<u>36 512 699</u>

Note 13 - Receivables group companies

	2021	2020
Subsidiary		
Receivables Steem1960 Singapore Pte Ltd.	1 316 774	5 106 068
Receivables Steem1960 Houston LLC	<u>12 688 108</u>	<u>14 296 330</u>
	<u>14 004 881</u>	<u>19 402 398</u>

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



Skatteetaten

Vår dato 01.10.2018	Din dato 16.08.2018	Saksbehandler Jeanette Munkvold Skovholt
800 80 000 Skatteetaten.no	Din referanse Tonje Wekre	Telefon 90076012
Org.nr 996250318	Vår referanse 2018/1008221	Postadresse Postboks 9200 Grønland 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 2021**

AUDNEST ASSURANCE



STEEM1960 SINGAPORE PTE. LTD.

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STEEM1960 SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

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 2021.

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, Chapter 50 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 2021 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 (Appointed on 25 March 2021)

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, Chapter 50 (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 except as detailed below:

Directors	Shareholdings registered in name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.1.2021	Balance at 31.12.2021	Balance at 1.1.2021	Balance at 31.12.2021
	Number of ordinary shares			
STEEM1960 SHIPBROKERS AS (Immediate holding)				
Svend Botolf Sundby	-	-	19,500	19,500



STEEM1960 SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

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


Dag Audun Rommen
Director


Svend Botoft Sundby
Director

Singapore
Date, 1 APR 2022



AUDNEST ASSURANCE

CHARTERED ACCOUNTANTS SINGAPORE

(Registration No. T15PF0007K)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STEM1960 SINGAPORE PTE. LTD.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Stem1960 Singapore Pte. Ltd.** (the Company), which comprise the statement of financial position of the Company as at 31 December 2021, 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 Companies Act, Chapter 50 (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 2021 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.**

**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.

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, 1 APR 2022



STEEM1960 SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 US\$	2020 US\$
ASSETS			
Non-current assets			
Plant and equipment	4	163,352	214,176
Right-of-use assets	5	1,015,659	1,132,932
		<u>1,179,011</u>	<u>1,347,108</u>
Current assets			
Trade and other receivables	6	1,882,832	1,773,396
Contract assets		57,361	-
Prepaid operating expenses		113,561	120,110
Cash and cash equivalents	7	6,551,714	7,991,742
		<u>8,605,468</u>	<u>9,885,248</u>
Total assets		<u>9,784,479</u>	<u>11,232,356</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	187,750	187,750
Unappropriated profit		4,283,940	5,273,028
Total equity		<u>4,471,690</u>	<u>5,460,778</u>
Non-current liabilities			
Lease liabilities	9	674,190	819,544
Current liabilities			
Trade and other payables	10	299,807	439,309
Accrued operating expenses		3,435,600	3,617,195
Contract liabilities		117,349	-
Lease liabilities	9	352,923	325,024
Provision for taxation	11	432,920	570,506
		<u>4,638,599</u>	<u>4,952,034</u>
Total liabilities		<u>5,312,789</u>	<u>5,771,578</u>
Total equity and liabilities		<u>9,784,479</u>	<u>11,232,356</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 2021

	Note	2021 US\$	2020 US\$
REVENUE			
Commission income	12	10,269,620	10,236,731
ADD: Other items of income			
Interest income		44	-
Government grants		117,963	285,196
Recovery of trade receivables impaired		13,750	156
Rental relief income		-	10,223
Reversal of lease liabilities		5,085	-
Miscellaneous income		7,811	3,365
LESS: Other items of expense			
Distribution costs		(8,632)	(11,734)
Administrative expense		(6,926,258)	(6,910,686)
Other expenses		(1,044,880)	(1,064,298)
Finance costs			
- Interest expenses on lease liabilities		(17,418)	(8,475)
		(7,997,188)	(7,995,193)
Profit before taxation	13	2,417,085	2,540,478
Taxation	14	(406,173)	(428,365)
Net profit for the year, representing total comprehensive income for the year		2,010,912	2,112,113

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 2021

	Note	Share capital US\$	Unappropriated profit US\$	Total equity US\$
Balance as at 1 January 2020		187,750	5,160,915	5,348,665
Net profit for the year, representing total comprehensive income for the year		-	2,112,113	2,112,113
Dividend paid	15	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2020		<u>187,750</u>	<u>5,273,028</u>	<u>5,460,778</u>
Net profit for the year, representing total 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>

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 2021**

	Note	2021 US\$	2020 US\$
Cash flow from operating activities			
Profit before taxation		2,417,085	2,540,478
Adjustments for:			
(Reversal of) / Allowance for impairment on trade receivables		(56,565)	65,826
Trade receivables impaired		5,688	98,909
Depreciation of plant and equipment		55,215	31,241
Depreciation of right-of-use asset		361,778	324,181
Lease liabilities interest expenses		17,418	8,475
Reversal of lease liabilities		(5,085)	-
Interest income		(44)	-
Operating cash flows before working capital changes		2,795,490	3,069,110
Working capital changes:			
Trade and other receivables		(138,157)	876,578
Prepaid operating expenses		6,549	(15,034)
Trade and other payables		(139,502)	(339,532)
Accrued operating expenses		(181,595)	401,183
Contract assets		(57,361)	-
Contract liabilities		117,349	-
		(392,717)	923,195
Cash generated from operations		2,402,773	3,992,305
Income tax paid		(543,759)	(386,263)
Net cash generated from operating activities		1,859,014	3,606,042
Cash flow from investing activities			
Purchase of plant and equipment		(4,391)	(213,141)
Net cash used in investing activities		(4,391)	(213,141)
Cash flow from financing activities			
Interest received		44	-
Dividend paid		(3,000,000)	(2,000,000)
Repayment from / (Advance to) the immediate holding corporation		79,597	(48,273)
Repayment of obligations under leases		(374,292)	(346,378)
Net cash used in financing activities		(3,294,651)	(2,394,651)
Net change in cash and cash equivalents		(1,440,028)	998,250
Cash and cash equivalents as at 1 January		7,991,742	6,993,492
Cash and cash equivalents as at 31 December	6	6,551,714	7,991,742

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 2021

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. (formerly known Inge Steensland 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 2021 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, Chapter 50 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.

FRS issued but not yet effective

As at the date of the authorisation of these financial statements, the Company do not plan to early adopted the following FRS that have been issued but not yet effective:

	Effective date (annual periods beginning on or after)
Amendment to FRS 116 : Covid-19-Related Rent Concessions beyond 30 Leases June 2021	1 April 2021
Amendments to FRS 16 Property, Plant and Equipment : Proceeds before Intended Use	1 January 2022



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

	Effective date (annual periods beginning on or after)
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Various : Annual Improvements to FRSs 2018-2021	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements : Classification of Liabilities as Current or Non- current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements : Disclosure of Accounting Policies and FRS Practice Statement 2	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 : Deferred Tax related to Assets and Liabilities Income Taxes arising from a Single Transaction	1 January 2023
Amendments to FRS 110 and FRS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Company expects that the adoption of the above FRS, if applicable, will have no material impact on the financial statements in the period of initial adoption.

2.2 Impairment of non-financial 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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

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:

	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:



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial assets (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial assets (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.6 Financial liabilities (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.11 Leases (Continued)

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.

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;



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.11 Leases (Continued)

- 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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

2.13 Income tax (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Summary of significant accounting policies (Continued)

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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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\$32,879 was recognized as at 31 December 2021.

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.

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 2021 were US\$163,352 (2020: US\$214,176) respectively (Note 4).



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. Plant and equipment

	Computer US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Signage US\$	Total US\$
Cost						
Balance at 1.1.2020	260,284	61,885	36,359	106,665	707	465,900
Additions	13,099	604	-	199,438	-	213,141
Disposal	-	-	-	(106,665)	-	(106,665)
Balance at 31.12.2020	273,383	62,489	36,359	199,438	707	572,376
Additions	3,931	460	-	-	-	4,391
Written off	-	-	-	-	-	-
Balance at 31.12.2021	277,314	62,949	36,359	199,438	-	576,767
Accumulated depreciation						
Balance at 1.1.2020	230,152	61,305	34,795	106,665	707	433,624
Depreciation for the year	19,793	568	908	9,972	-	31,241
Written off	-	-	-	(106,665)	-	(106,665)
Balance at 31.12.2020	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
Net carrying amount						
Balance at 31.12. 2021	12,880	893	-	149,579	-	163,352
Balance at 31.12. 2020	23,438	616	656	189,466	-	214,176

5. Right-of-use assets

	Office premise and staff accommodation US\$
Cost	
Balance at 1.1.2020	1,159,668
Addition during the year	1,068,865
Disposal	(714,143)
Balance at 31.12.2020	1,514,390
Addition during the year	244,504
Written off	(221,596)
Balance at 31.12.2021	1,537,298



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. Right-of-use assets (Continued)

	Office premise and staff accommodation US\$
Accumulated depreciation	
Balance at 1.1.2020	357,510
Depreciation for the year	324,181
Disposal	(300,233)
Balance at 31.12.2020	381,458
Depreciation for the year	361,778
Written off	(221,597)
Balance at 31.12.2021	521,639
Net carrying amount	
Balance at 31.12. 2021	1,015,659
Balance at 31.12. 2020	1,132,932

6. Trade and other receivables

	2021 US\$	2020 US\$
Trade receivables	1,684,328	1,514,006
Trade receivable from a related company	-	1,033
Less: Allowance on impairment	(32,879)	(89,444)
Total trade receivables	1,651,449	1,425,595
Non-trade receivable from the immediate holding corporation	141,573	221,170
Deposit	81,734	80,238
GST receivables	8,076	10,619
Deferred grant receivables	-	35,774
Total other receivables	231,383	347,801
Total trade and other receivables	1,882,832	1,773,396

The average credit period on commission income is 14 days (2020: 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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. Trade and other receivables (Continued)

At 31 December 2021, the lifetime expected loss provision for Company's trade receivables are as follows:

As at 31 December 2021	Not past due US\$	Past due 1 - 90 days US\$	More than 90 days US\$	Total 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	803,138	738,441	109,870	1,651,449

As at 31 December 2020	Not past due US\$	Past due 1 - 90 days US\$	More than 90 days US\$	Total US\$
Expected loss rate	0%	0%	0%	
Gross carrying amount	586,337	607,112	321,590	1,515,039
Loss allowance	-	-	(89,444)	(89,444)
Gross carrying amount	586,337	607,112	232,146	1,425,595

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

	2021 US\$	2020 US\$
Balance as at 1 January	89,444	48,512
Add: Addition during the year	32,879	65,826
Less: Reversal of allowance	(89,444)	-
Less: Trade receivables impaired during the year	-	(24,894)
Balance as at 31 December	32,879	89,444

As at 31 December 2021, trade receivables of US\$32,879 (2020: US\$89,444) 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.



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NOTES TO THE AUDITED FINANCIAL STATEMENTS
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6. Trade and other receivables (Continued)

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

	2021 US\$	2020 US\$
Denominated in:		
Singapore dollars	89,810	126,631
United States of America dollars	1,793,022	1,646,765
	<u>1,882,832</u>	<u>1,773,396</u>

7. Cash and cash equivalents

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

	2021 US\$	2020 US\$
Cash at bank	6,550,264	7,990,292
Cash on hand	1,450	1,450
Cash and cash equivalents	<u>6,551,714</u>	<u>7,991,742</u>

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

	2021 US\$	2020 US\$
Denominated in:		
Singapore dollars	59,713	46,523
United States of America dollars	6,477,429	7,929,432
Euro	14,572	15,787
	<u>6,551,714</u>	<u>7,991,742</u>

8. Share capital

	2021 US\$	2020 US\$
Issued and fully paid 250,000 (2020: 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.



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NOTES TO THE AUDITED FINANCIAL STATEMENTS
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9. Lease liabilities

	2021 US\$	2020 US\$
At 1 January 2021	1,144,568	827,516
Additions	244,504	1,068,865
Reversal	(5,085)	(413,910)
Interest expense	17,418	8,475
Lease payments:		
- Principal portion	(356,874)	(337,903)
- Interest portion	(17,418)	(8,475)
At 31 December 2021	1,027,113	1,144,568

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

	2021 US\$	2020 US\$
Contractual undiscounted cash flows		
- Within one financial year	373,994	336,613
- Between two and five financial years	700,463	836,076
- After 5 years	-	-
	1,074,457	1,172,689
Less: Future interest expense	(47,344)	(28,121)
Present value of lease liabilities	1,027,113	1,144,568
Presented in statement of financial position		
- Within one financial year	352,923	325,024
- Between two and five financial years	674,190	819,544
	1,027,113	1,144,568

The Company leases a number of properties (i.e. office premises 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\$374,292 (2020: US\$346,378).

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



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10. Trade and other payables

	2021 US\$	2020 US\$
Trade payables	8,930	927
Trade payable to the immediate holding corporation	290,877	378,510
Total trade payables	<u>299,807</u>	<u>379,437</u>
Deferred grant liabilities	-	59,872
Total other payables	<u>299,807</u>	<u>59,872</u>
Total trade and other payables	<u>299,807</u>	<u>439,309</u>

The average credit period granted by suppliers ranged from 30 to 60 days (2020: 30 to 60 days). No interest is charged on the outstanding balances.

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

	2021 US\$	2020 US\$
Denominated in:		
Singapore dollars	8,930	60,799
United States of America dollars	286,334	373,557
Euro	4,543	4,953
	<u>299,807</u>	<u>439,309</u>

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

	Gross amounts of recognised financial liabilities US\$	Gross amounts of recognised financial assets set off in the statement of financial position US\$	Net amounts of financial liabilities presented in the statement of financial position US\$
As at 31 December 2021			
Trade payable to the immediate holding corporation	404,189	(113,312)	<u>290,877</u>
As at 31 December 2020			
Trade payable to the immediate holding corporation	436,348	(57,838)	<u>378,510</u>



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
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11. Provision for taxation

	2021	2020
	US\$	US\$
Balance as at 1 January	570,506	528,404
Provision for the year	432,920	428,365
Payment during the year	(543,759)	(386,263)
Overprovision in prior year	(26,747)	-
Balance as at 31 December	<u>432,920</u>	<u>570,506</u>

12. Revenue

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

	2021	2020
	US\$	US\$
Revenue from contract with customers within the scope of FRS 115		
Commission income for the year	10,306,067	10,365,239
Less: Commission expense on co-brokering	(36,447)	(128,508)
Net commission income for the year	<u>10,269,620</u>	<u>10,236,731</u>
Timing of revenue recognition		
- At a point in time	<u>10,269,620</u>	<u>10,236,731</u>

13. Profit before taxation

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

	2021	2020
	US\$	US\$
Include in Distribution costs:		
Advertisements	1,714	1,099
Overseas business travelling expenses	<u>6,918</u>	<u>10,635</u>
Include in Administrative expenses:		
Telecommunication expenses	54,101	66,946
Employee benefits expense:		
- Staff salaries and bonuses	6,102,246	6,071,104
- Employer's CPF and other contributions	300,884	302,464
- Staffs' benefits	73,723	63,461
- Staffs' insurance	351,017	302,849
	<u>6,827,870</u>	<u>6,739,878</u>



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
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13. Profit before taxation (Continued)

	2021 US\$	2020 US\$
Include in Other expenses:		
Depreciation of plant and equipment	55,215	31,241
Depreciation of right-of-use asset	361,778	324,181
(Reversal of) / Allowance for impairment on trade receivables	(56,565)	65,826
Lease liabilities interest expenses	17,418	8,475
Trade receivables impaired	5,688	98,909
Entertainment expense	141,943	132,583
Exchange loss / (gain)	26,158	(15,335)
Professional fee expense	36,725	35,243

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

14. Taxation

	2021 US\$	2020 US\$
Current financial year income tax	432,920	428,365
Overprovision in prior year	(26,747)	-
	<u>406,173</u>	<u>428,365</u>

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:

	2021 US\$	2020 US\$
Profit before taxation	<u>2,417,085</u>	<u>2,540,478</u>
Income tax calculated at Singapore's statutory income tax rate of 17%	410,904	431,881
Tax effect of non-taxable income	(15,674)	(49,198)
Tax effect of non-deductible expenses for income tax purposes	46,195	30,818
Effect of tax exemption and tax relief	(12,968)	(12,674)
Overprovision in prior year	(26,747)	-
Others	4,463	27,538
	<u>406,173</u>	<u>428,365</u>



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. Dividend paid

During the financial year ended 31 December 2021, the Company declared and paid a final one-tier tax exempt dividend of US\$12 per ordinary share of the Company totaling US\$3,000,000 in respect of the financial year ended 31 December 2020.

The directors proposed an one-tier tax exempt final dividend of US\$8 per ordinary share of the Company totaling US\$2,000,000. 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:

	2021 US\$	2020 US\$
With the immediate holding corporation		
Commission income	113,312	57,838
Commission expense on co-brokering	(36,447)	(128,508)
Share of research cost	(297,606)	(219,081)
Computer expenses	(70,136)	(88,759)
Payment of expenses on behalf for	(141,573)	(221,170)
With companies who have common director with significant influence		
Accounting fee expenses	(46,764)	(43,665)
Professional fee expenses	(24,842)	(24,166)
Compensation of key management personal		
Employee benefits expense:		
- Salaries and bonuses	(968,080)	-
- Director's benefit-in-kind	(41,462)	-
- Staff accommodation paid under lease liability	(85,843)	-

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.



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NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial risk management (Continued)

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.

The company is exposed to the following foreign currencies:

	Euro US\$	S\$ US\$	Total US\$
As at 31 December 2021			
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	-	-	-
	Euro US\$	S\$ US\$	Total US\$
As at 31 December 2020			
Trade and other receivables	-	126,631	126,631
Cash and cash equivalent	15,787	46,523	62,310
Lease liabilities	-	(1,144,568)	(1,144,568)
Trade and other payables	(4,953)	(60,799)	(65,734)
Net financial assets / (liabilities)	10,834	(1,032,213)	(1,021,379)
Currency exposure	10,834	(1,032,213)	(1,021,379)
Effect of 1% change in United States of America dollars on			
- Profit before taxation	108	(10,322)	(10,214)
- Equity	-	-	-

The above analysis assumes all other variables are held constant.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial risk management (Continued)

a) Market risk (Continued)

(i) 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.

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 2021, 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 17% (2020: 18%) 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.

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17. Financial risk management (Continued)

c) Liquidity risk (Continued)

As at 31 December 2021	Less than 1 year US\$	Between 2 and 5 years US\$	Over 5 years US\$	Total 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 assets	7,752,669	(700,463)	-	7,052,206

As at 31 December 2020	Less than 1 year US\$	Between 2 and 5 years US\$	Over 5 years US\$	Total US\$
Trade and other receivables*	1,762,777	-	-	1,762,777
Cash and cash equivalents	7,991,742	-	-	7,991,742
Trade and other payables	(439,309)	-	-	(439,309)
Lease liabilities	(336,613)	(836,076)	-	(1,172,689)
Net undiscounted financial assets	8,978,597	(836,076)	-	8,142,521

* 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 2021

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 2021.

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:

	2021	2020
	US\$	US\$
Financial assets measured at amortised cost		
Trade and other receivables*	1,874,756	1,762,777
Cash and cash equivalents	6,551,714	7,991,742
Total financial assets measured at amortised cost	<u>8,426,470</u>	<u>9,754,519</u>
	2021	2020
	S\$	S\$
Financial liabilities measured at amortised cost		
Trade and other payables	299,807	439,309
Lease liabilities	1,027,113	1,144,568
Total financial liabilities measured at amortised cost	<u>1,326,920</u>	<u>1,583,877</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 2021

20. Capital risk management (Continued)

	2021 US\$	2020 US\$
Current assets	8,605,468	9,885,248
Current liabilities	(4,638,599)	(4,952,034)
Net current assets	<u>3,966,869</u>	<u>4,933,214</u>
Total assets	9,784,479	11,232,356
Total liabilities	(5,312,789)	(5,771,578)
Capital surplus	<u>4,471,690</u>	<u>5,460,778</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 2021**

	2021 US\$	2020 US\$
REVENUE		
Commission income	10,306,067	10,365,239
Less: Commission expense on co-brokering	(36,447)	(128,508)
	10,269,620	10,236,731
ADD: Other items of income		
Interest income	44	-
Government grants	117,963	285,196
Recovery of trade receivables impaired	13,750	156
Rental relief income	-	10,223
Reversal of lease liabilities	5,085	-
Miscellaneous income	7,811	3,365
	144,653	298,940
LESS: Other items of expenses		
Distribution costs		
Advertisement expenses	(1,714)	(1,099)
Overseas business travelling expenses	(6,918)	(10,635)
	(8,632)	(11,734)
Administrative expenses		
Staff salaries and bonuses	(5,134,166)	(6,071,104)
Employer's CPF and other contributions	(300,884)	(302,464)
Director's remuneration		
- Director's salaries and bonuses	(968,080)	-
- Director's benefit-in-kind	(41,462)	-
Skill development levy	(2,863)	(2,788)
Bank charges	(12,850)	(11,798)
Insurance expense	(952)	(910)
Office maintenance	(16,028)	(75,660)
Postage and courier	(1,678)	(3,419)
Printing and stationery	(5,835)	(6,912)
Leave passage	(4,081)	(5,458)
Staffs' benefits	(32,261)	(63,461)
Staffs' insurance	(351,017)	(302,849)
Telecommunication expenses	(54,101)	(66,946)
Property tax rebate	-	3,083
	(6,926,258)	(6,910,686)



STEEM1960 SINGAPORE PTE. LTD.

**DETAILED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	2021 US\$	2020 US\$
Other expenses		
Accounting fee expenses	(45,764)	(43,664)
Reversal of / (Allowance for) impairment on trade receivables	56,565	(65,826)
Computer expenses	(63,067)	(73,895)
Depreciation of plant and equipment	(55,215)	(31,241)
Depreciation of right-of-use asset	(361,778)	(324,181)
Entertainment expenses	(141,943)	(132,583)
Exchange (loss) / gain	(26,158)	15,335
General expenses	(20,276)	(21,544)
Professional fees expenses	(36,725)	(35,243)
Share of research cost from the holding company	(297,607)	(219,081)
Subscription fee	(39,410)	(21,765)
Trade receivables impaired	(5,688)	(98,909)
Tax return preparation fee	(2,029)	(1,828)
Utilities	(5,785)	(9,873)
	(1,044,880)	(1,064,298)
Finance costs		
Interest expenses on lease liabilities	(17,418)	(8,475)
	(17,418)	(8,475)
Profit before taxation	2,417,085	2,540,478



STEEM 1960
SHIPBROKERS

FINANCIAL STATEMENT 2021

Profit and Loss

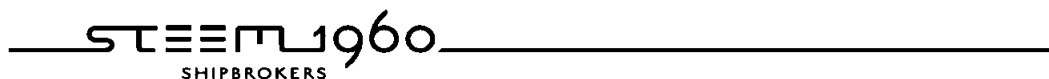
	notes	2021	2020
Revenue			
Commission income		2 856 744	2 058 492
Other ordinary income		-	-
Total income	1	2 856 744	2 058 492
Operating cost			
Salaries and personell cost	2	2 056 020	1 514 496
depreciation		2 018	648
Other operating cost		276 912	265 972
Total operating cost		2 334 950	1 781 116
Operating profit/-loss		521 794	277 376
Financial cost			
Interest expenses	4	-	-
Net financial items		-	-
Profit before tax		521 794	277 377
Taxes		6 943	6 041
Net profit		514 850	271 334
Allocations			
Transfer to/from equity	3	514 850	271 334



FINANCIAL STATEMENT 2021

Balance Sheet

	notes	2021	2020
Assets			
Fixed asstes		<u>3 334</u>	<u>1 243</u>
Total Assets		<u>3 334</u>	<u>1 243</u>
Current assets			
Receivables	1	619 941	473 570
Other receivables	4	<u>27 917</u>	<u>27 084</u>
total receivables		<u>647 858</u>	<u>500 655</u>
cash and bank deposits			
Bank		1 774 140	1 132 055
Total cash and bankdeposits		<u>1 774 140</u>	<u>1 132 055</u>
Total Assets		<u>2 425 332</u>	<u>1 633 952</u>
Equity			
Paid-in-equity		515 000	515 000
Total Paid-in.equity		<u>515 000</u>	<u>515 000</u>
Retained earnings	3	<u>-1 412 647</u>	<u>-1 927 498</u>
Total Equity		<u>-897 647</u>	<u>-1 412 498</u>
Debt			
Long term debt			
	4	<u>2 113 486</u>	<u>2 406 935</u>
Short term debt			
Accounts payable		63 594	1 033
Public debt payable		-	-
Other short term debt		<u>1 145 900</u>	<u>638 481</u>
Total short term debt		<u>1 209 494</u>	<u>639 514</u>
Total debt		<u>3 322 980</u>	<u>3 046 449</u>
Total Equity and debt		<u>2 425 332</u>	<u>1 633 952</u>



STEEM1960 HOUSTON LLC

ACCOUNTING NOTES 2021

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.

Personell and payroll expenses

	2021	2020
Wages & salaries	1 783 173	1 272 990
Employer taxes	100 401	75 442
Group health insurance	132 856	112 313
Retirement plan	35 890	47 903
Other expenses	3 700	5 848
	<u>2 056 020</u>	<u>1 514 496</u>

As per December 31st 2021 we had 6 employees in the Houston office.

Equity

	Paid in capital	Retained earnings	Total equity
Equity 01.01.	515 000	-1 927 498	-1 412 498
Year end result	-	514 851	514 851
Equity 31.12.	<u>515 000</u>	<u>-1 412 647</u>	<u>-897 647</u>

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.

	2021 Oslo	2021 Singapore
Balance January 1st	-2 406 935	-1 033
Trade transactions	-62 282	1 033
Non-trade transactions	<u>293 449</u>	-
Intercompany accounts	<u>-2 175 768</u>	-



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Uavhengig revisors beretning

Til generalforsamlingen i Steem1960 Shipbrokers AS

Konklusjon

Vi har revidert Steem1960 Shipbrokers AS sitt årsregnskap.

Årsregnskapet består av:

- Selskapsregnskapet, som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og
- Konsernregnskapet, som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- Oppfyller årsregnskapet gjeldende lovkrav
- Gir selskapsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og
- Gir konsernregnskapet et rettviseende bilde av konsernets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Styret og daglig leder (ledelsen) er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke annen informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i annen informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom annen informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Konklusjon om årsberetningen

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.



Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Bente Hodne
statsautorisert revisor
(elektronisk signert)

Pemneo Dokumentnøkkel: CL21G-B7TBS-400UH-74CH5-1N87L-MLVD3



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Bente Hodne

Partner

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