



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: 17.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 28.04.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Kommisjoner		175 797 765	208 929 089
Annen inntekt		4 986 075	5 095 517
Sum inntekter		180 783 840	214 024 606
Kostnader			
Lønn- og personalkostnader	3	137 189 315	172 741 139
Ordinær avskrivning	4	736 812	760 032
Andre driftskostnader	3	12 932 512	15 529 527
Sum kostnader		150 858 639	189 030 698
Driftsresultat		29 925 201	24 993 908
Finansinntekter og finanskostnader			
Inntekt fra datterselskap	5	19 854 707	21 783 233
Inntekt fra tilknyttet selskap	5	1 068 678	892 717
Annen finansinntekt		350 258	1 382 952
Sum finansinntekter		21 273 643	24 058 902
Annen finanskostnad		8 287 195	5 821 434
Sum finanskostnader		8 287 195	5 821 434
Netto finans	1	12 986 448	18 237 468
Ordinært resultat før skattekostnad		42 911 649	43 231 376
Skattekostnad	7	5 313 433	5 298 819
Ordinært resultat etter skattekostnad		37 598 216	37 932 557
Årsresultat		37 598 216	37 932 557
Overføringer og disponeringer			
Ordinært utbytte	8	17 963 638	15 252 499
Overført til egenkapital	8	19 634 578	24 680 058
Sum overføringer og disponeringer		37 598 216	39 932 557



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	1 101 023	931 541
Sum immaterielle eiendeler		1 101 023	931 541
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	1 066 653	1 599 970
Sum varige driftsmidler		1 066 653	1 599 970
Finansielle anleggsmidler			
Investering i datterselskap	5	47 003 920	47 495 534
Lån til foretak i samme konsern	13	14 296 330	18 039 523
Investeringer i tilknyttet selskap	5	408 592	389 914
Investeringer i aksjer og andeler	3	130 000	130 000
Sum finansielle anleggsmidler		61 838 842	66 054 971
Sum anleggsmidler		64 006 518	68 586 482
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	10,12, 13	19 729 719	23 635 588
Andre fordringer		3 569 988	8 830 502
Fordring tilknyttet selskap	5	1 050 000	890 000
Sum fordringer		24 349 707	33 356 090
Bankinnskudd, kontanter og lignende			
Bankinnskudd NOK		100 101 317	85 104 540
Bankinnskudd utelandsk valuta		49 168 722	57 152 887
Sum bankinnskudd, kontanter og lignende	1,11	149 270 039	142 257 427
Sum omløpsmidler		173 619 746	175 613 517



Balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		237 626 264	244 199 999
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	1 200 000	1 200 000
Sum innskutt egenkapital		1 200 000	1 200 000
Opptjent egenkapital			
Fond for vurderingsforskjeller		45 422 842	45 914 456
Annen egenkapital		64 671 046	42 248 976
Sum opptjent egenkapital	8	110 093 888	88 163 432
Sum egenkapital		111 293 888	89 363 432
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		1 222 440	3 055 498
Betalbar skatt	7	5 482 915	5 369 136
Skyldige offentlige avgifter		5 556 842	5 108 670
Utbytte	8	17 963 638	13 252 499
Annen kortsiktig gjeld	6	96 106 541	127 678 173
Skyldig honorar	3	0	372 591
Sum kortsiktig gjeld		126 332 376	154 836 567
Sum gjeld		126 332 376	154 836 567
SUM EGENKAPITAL OG GJELD		237 626 264	244 199 999



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Kommisjoner		291 377 779	320 154 383
Annen inntekt		4 986 075	5 095 517
Sum inntekter	1,2	296 363 854	325 249 900
Kostnader			
Lønn- og personalkostnader	3	216 389 396	240 435 368
Ordinære avskrivninger	4	1 036 591	1 077 872
Annen driftskostnader	3	25 462 860	29 797 981
Sum kostnader		242 888 847	271 311 221
Driftsresultat		53 475 007	53 938 679
Finansinntekter og finanskostnader			
Inntekt fra tilknyttet selskap	5	1 068 678	892 717
Annen finansinntekt		3 289 407	1 508 035
Sum finansinntekter		4 358 085	2 400 752
Annen finanskostnad		6 287 195	5 933 910
Sum finanskostnader		6 287 195	5 933 910
Netto finans	1	-1 929 110	-3 533 158
Ordinært resultat før skattekostnad		51 545 897	50 405 521
Skattekostnad	7	9 397 023	9 637 124
Ordinært resultat etter skattekostnad		42 148 874	40 768 397
Årsresultat		42 148 874	40 768 397



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	1 101 023	931 541
Sum immaterielle eiendeler		1 101 023	931 541
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	2 904 737	1 899 967
Sum varige driftsmidler		2 904 737	1 899 967
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	5	408 592	389 914
Investeringer i aksjer og andeler	6	130 000	130 000
Sum finansielle anleggsmidler		538 592	519 914
Sum anleggsmidler		4 544 352	3 351 422
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	10,12, 13	36 512 699	53 429 332
Andre fordringer		4 825 936	4 827 643
Fordring tilknyttet selskap	5	1 050 000	890 000
Sum fordringer		42 388 635	59 146 975
Bankinnskudd, kontanter og lignende			
Bankinnskudd NOK		100 101 315	85 104 540
Bankinnskudd utenlandsk valuta		127 018 431	125 313 943
Sum bankinnskudd, kontanter og lignende	1,11	227 119 746	210 418 483
Sum omløpsmidler		269 508 381	269 565 458
SUM EIENDELER		274 052 733	272 916 880



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	1 200 000	1 200 000
Sum innskutt egenkapital		1 200 000	1 200 000
Opptjent egenkapital			
Annen egenkapital		103 697 300	76 952 714
Sum opptjent egenkapital	8	103 697 300	76 952 714
Sum egenkapital		104 897 300	78 152 714
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		2 865 614	9 975 542
Betalbar skatt	7	10 350 814	10 008 682
SKyldig offentlige avgifter		5 556 842	5 108 670
Utbytte	8	17 963 638	13 252 499
Annen kortsiktig gjeld	6	132 268 777	156 046 182
SKyldig honorarer	3	149 748	372 591
Sum kortsiktig gjeld		169 155 433	194 764 166
Sum gjeld		169 155 433	194 764 166
SUM EGENKAPITAL OG GJELD		274 052 733	272 916 880



BOARD OF DIRECTORS STATEMENT 2020

Corporation

Stem1960 is an international shipbroking company with headquarter in Oslo, an office in Bergen and subsidiaries in Singapore and Houston. Stem1960 is predominantly covering Gas, Chemicals, Products, and all aspects of project/S&P business, including Research.

Financial Statement

The operating income for 2020 of NOK 180 783 840 shows a decrease from 2019 of NOK 33 240 766. Hard work from all our departments has given good results, despite the Covid-19 pandemic.

Operating profit was up from NOK 24 993 908 in 2019 to NOK 29 925 201 in 2020. The decrease in operating income but increase in operating profit reflects decreasing expenses due to the Covid-19 pandemic.

Total group revenue has decreased from 2019 with 8,9 % and ended at NOK 296 363 854.

Net financial income for the parent company in 2020 was NOK 12 986 448, an income originating mainly from subsidiaries according to the use of the equity method.

This year's calculated taxes equal NOK 5 313 433, and this year's annual net profit is NOK 37 598 216.

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

Dividend	NOK 17 963 638
To other equity	<u>NOK 19 634 578</u>
Net brought forward	<u>NOK 37 598 216</u>

The Group Annual net profit is NOK 42 148 874, after NOK 9 397 023 in calculated taxes.

The parent company's equity as per December 31st 2020 is NOK 111 293 888, whereas NOK 1 200 000 is restricted share capital, NOK 45 422 842 is a restricted reserve for valuation variances and profit from subsidiaries. NOK 64 671 046 is retained earning from operations.

The company's equity ratio is 46,8 %.

Financial risk

The company is exposed to exchange rate risk, a substantial part of the company's revenue is in foreign currency, especially USD and EUR. Fluctuation in USD is a risk, as approximately 92 % 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 to be low but may increase as a result of difficult market conditions. This is continuously being assessed by the head of departments.

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 the year 2021 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 2020, including Cashflow statement and notes, to give a true and fair view of the company's assets and debts, and the company's financial position. These also give relevant information about the company's development and results.

Other information

The company has 51 employees in Oslo, 27 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 companies have most of the year worked remote from their homes. This situation has required a new form of communication and co-operations between employees, between offices and management. The different offices and departments have skillfully handled this. Management is proud of all employees for their ability to adapt 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 185 days, which equals 5,8 % of total work hours. About 82,5 % of the total sick leave is generated from two long-term leaves.

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

The company is not working in a way that is 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 working with analytic reports on market trends and forecasts.

The discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to 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 2020, employees with different nationalities were working with the company.



Future outlook

One year ago, we predicted the first half of the year to be affected by Covid-19. It took longer. The virus will impact our results in 2021 as well. On chartering, some of our markets have fluctuated a lot the past 12 months. With all the uncertainty caused by the virus, a similar trend is likely for 2021. On S&P/Projects increased activity is expected in the second-hand market as well as the new building market. However, uncertainty about future propulsion and the post-corona markets may still delay the awaited market improvement.

Stem1960 is nevertheless well prepared for 2021 with experienced and well- proportioned teams on chartering, S&P/Project, as well as Research and Post-fixures. Teams and individuals that have adapted very well to the significant changes in our working environment the last year.

Oslo, 15. March 2021
Board of Directors in Stem1960 Shipbrokers AS

Rolf Olsen
Chairman

Olav Vikøren
Board member

Tonje Lyng-Olsen
Board member

S. Boddif Sundby
CEO



STEEM 1960

SHIPBROKERS

PARENT COMPANY

GROUP

REVENUE STATEMENT

all amounts in NOK

2019	2020		Note	2020	2019
		Operating income			
208 929 089	175 797 765	Commissions		291 377 779	320 154 383
<u>5 095 517</u>	<u>4 986 075</u>	other revenue		<u>4 986 075</u>	<u>5 095 517</u>
214 024 606	180 783 840	Operating income	1,2	296 363 854	325 249 900
		Operating expenses			
172 741 139	137 189 315	Salaries and other personnel expenses	3	216 389 396	240 435 368
760 032	736 812	Depreciation	4	1 036 591	1 077 872
<u>15 529 526</u>	<u>12 932 512</u>	Other operating expenses	3	<u>25 462 860</u>	<u>29 797 982</u>
189 030 698	150 858 639	Operating expenses		242 888 847	271 311 222
24 993 908	29 925 201	Operating result		53 475 008	53 938 679
		Financial income and cost			
21 783 233	19 854 707	Income from subsidiaries, equity method	5	0	0
892 717	1 068 678	Income from associated companies	5	1 068 678	892 717
1 382 952	350 258	Other financial income		3 289 406	1 508 035
<u>-5 821 434</u>	<u>-8 287 195</u>	Other financial expenses		<u>-6 287 195</u>	<u>-5 933 910</u>
18 237 467	12 986 448	Net financial items	1	-1 929 111	-3 533 158
43 231 376	42 911 649	Operating result before tax		51 545 897	50 405 521
<u>-5 298 819</u>	<u>-5 313 433</u>	Tax on ordinary result	7	<u>-9 397 023</u>	<u>-9 637 124</u>
37 932 557	37 598 216	Annual net profit		42 148 874	40 768 397
		Brought forward			
24 680 058	19 634 578	To other equity	8		
<u>13 252 499</u>	<u>17 963 638</u>	Dividend	8		
37 932 557	37 598 216	Net brought forward			

**STEEM 1960**
SHIPBROKERS

Parent company		BALANCE		Group statement	
		All amounts in NOK			
2019	2020	ASSETS	Note	2020	2019
		Fixed assets			
		Intangible Assets			
<u>931 541</u>	<u>1 101 023</u>	Deferred tax asset	7	<u>1 101 023</u>	<u>931 541</u>
<u>931 541</u>	<u>1 101 023</u>	Total intangible assets		<u>1 101 023</u>	<u>931 541</u>
		Tangible fixed assets			
<u>1 599 970</u>	<u>1 066 653</u>	Equipment and other movables	4	<u>2 904 737</u>	<u>1 899 967</u>
<u>1 599 970</u>	<u>1 066 653</u>	Total tangible fixed assets		<u>2 904 737</u>	<u>1 899 967</u>
		Financial fixed assets			
47 495 534	47 003 920	Investments in subsidiaries	5	0	0
18 039 523	14 296 330	Loan to group companies	13	0	0
389 914	408 592	Investments in associated companies	5	408 592	389 914
<u>130 000</u>	<u>130 000</u>	Investments in shares	6	<u>130 000</u>	<u>130 000</u>
			3		
<u>66 054 971</u>	<u>61 838 842</u>	Total financial fixed assets		<u>538 592</u>	<u>519 914</u>
<u>68 586 482</u>	<u>64 006 518</u>	Total fixed assets		<u>4 544 352</u>	<u>3 351 422</u>
		Current assets			
		Debtors			
23 635 588	19 729 718	Account receivables	10,12,13	36 512 699	53 429 332
8 830 502	3 569 988	Other receivables		4 825 936	4 827 643
<u>890 000</u>	<u>1 050 000</u>	Receivables associated companies	5	<u>1 050 000</u>	<u>890 000</u>
<u>33 356 090</u>	<u>24 349 707</u>	Total debtors		<u>42 388 635</u>	<u>59 146 975</u>
		Cash and bank deposits			
85 104 541	100 101 317	Bank deposits Norwegian kroner		100 101 317	85 104 541
<u>57 152 887</u>	<u>49 168 722</u>	Bank deposit other currencies		<u>127 018 432</u>	<u>125 313 943</u>
<u>142 257 428</u>	<u>149 270 039</u>	Total cash and bank deposits	1,11	<u>227 119 747</u>	<u>210 418 484</u>
<u>175 613 517</u>	<u>173 619 746</u>	Total current assets		<u>269 508 382</u>	<u>269 565 459</u>
<u>244 199 999</u>	<u>237 626 264</u>	TOTAL ASSETS		<u>274 052 733</u>	<u>272 916 880</u>



STEEM1960

SHIPBROKERS

PARENT COMPANY

GROUP

2019	2020	EQUITY AND LIABILITIES	Note	2020	2019
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					
45 914 456	45 422 842	Fund for valuation differences			
<u>42 248 976</u>	<u>64 671 046</u>	Retained earnings		<u>103 697 300</u>	<u>76 952 714</u>
<u>88 163 432</u>	<u>110 093 888</u>	Total retained earnings	8	<u>103 697 300</u>	<u>76 952 714</u>
<u>89 363 432</u>	<u>111 293 888</u>	Total equity		<u>104 897 300</u>	<u>78 152 714</u>
Current liabilities					
5 108 670	5 556 842	Public duties payable		5 556 842	5 108 670
372 591	0	Accrued fees	3	149 747	372 591
5 369 136	5 482 915	Tax payable	7	10 350 814	10 008 682
13 252 499	17 963 638	Dividends	8	17 963 638	13 252 499
3 055 498	1 222 440	Trade creditors		2 865 612	9 975 542
<u>127 678 173</u>	<u>96 106 541</u>	Other short term liabilities	6	<u>132 268 775</u>	<u>156 046 181</u>
<u>154 836 567</u>	<u>126 332 376</u>	Total current liabilities		<u>169 155 432</u>	<u>194 764 165</u>
<u>154 836 567</u>	<u>126 332 376</u>	Total liabilities		<u>169 155 432</u>	<u>194 764 166</u>
<u>244 199 999</u>	<u>237 626 264</u>	Total equity and liabilities		<u>274 052 733</u>	<u>272 916 880</u>

Oslo 15.March 2021

The board Steem1960 Shipbrokers AS

Rolf Olsen
Chairman

Olav Vikøren
Boardmember

S. Børulf Sundby
CEO

Tonje Lyng-Olsen
Boardmember



Parent company

Financial statement 2020

Cash Flow Statement

	2020	2019
Cash flow operations		
Profit before tax	42 911 649	43 231 376
Paid taxes	-5 369 136	-3 724 233
Depreciation	736 812	760 032
Changes accounts receivables	3 905 870	5 827 367
Changes accounts payable	-1 833 058	882 743
Changes in other timelimited accounts	-22 655 129	56 863 346
Net Cash flow operations	17 697 008	103 840 631
Cash flow investments		
Net changes in fixed assets	203 495	-
Net changes in financial assets	2 364 606	-4 618 578
Net Cash flow investments	2 568 101	-4 618 578
Cash flow financials		
Paid out dividend	-13 252 499	-42 241 227
Net Cash flow financials	-13 252 499	-42 241 227
Net total changes Cash flow	7 012 610	56 980 826
Cash and bankdeposits 1.1	142 257 428	85 276 601
Cash and bankdeposits 31.12	149 270 039	142 257 428



STEEM 1960
SHIPBROKERS

Group	Financial Statment 2020	
Cash Flow Statement	2 020	2 019
Cash flow operations		
Profit before tax	51 545 897	50 405 521
Paid taxes	-10 008 682	-7 342 941
Depreciation	1 036 591	1 077 872
Changes accounts receivables	16 806 068	-5 376 175
Changes accounts payable	-7 109 930	5 151 047
Changes in other time limited accounts	-23 710 371	63 557 343
Net Cash flow operations	28 559 573	107 472 667
Cash flow investments		
Net changes in fixed assets	1 112 012	185 984
Net changes financial assets	282 177	2 108 527
Net Cash flow investments	1 394 189	2 294 511
Cash flow financials		
Lease liabilities		-
Paid out dividend	-13 252 499	-42 241 227
Net Cash flow financials	-13 252 499	-42 241 227
Net changes total cash flow	16 701 263	67 525 951
Cash and bankdeposits 1.1.	210 418 484	142 892 533
Cash and bankdeposits 31.12	227 119 747	210 418 484



Parent Company and Group statements

Notes to Financial Statement 2020

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 2020 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 2020 has been prepared on a historical cost basis and according to the Norwegian Accounting Act. The consolidated financial statement is presented in Norwegian Kroner (NOK). The consolidated financial statement consists of profit and loss statement, balance sheet, cash flow statement, and notes. All intercompany transactions, balances, income, and expenses have been eliminated. Consistent accounting policies are applied throughout the group.

Subsidiaries

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

The consolidated accounts use the equity method for subsidiaries and affiliates. The share of the result is based on the result after tax in that company in which it has invested, less internal gains and any depreciation of excess value due to the cost of the shares being higher than the acquired share of capitalized equity.

In the profit and loss statement, the earnings share is shown under financial items. If the group loss ratio exceeds investment in an affiliated or subsidiary company, the group's carrying amount is reduced to zero and further losses are not recognized in the profit and loss statement unless the Group has a commitment to cover this loss.

In Singapore they have from 01.01.2019 implemented IFRS 16 lease contract. Our office in Singapore has calculated the changes and implemented the principle in their Financial Statement.

Before entering the subsidiaries according to the equity method in the mother company, the Singapore Financial Statement has been recalculated so the accounting principles are equal and according to Norwegian principles. The consolidated accounts also use the recalculated Statement.

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

Revenue and expense recognition

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

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

Fixed assets

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

Foreign currency

The Steem1960 Shipbroker AS financial statement and the Group financial statement have Norwegian Kroner as reporting currency.

For the parent company all transactions in foreign currencies are recorded using the exchange rate at the transaction date.

At balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the balance sheet date. Gains and losses arising on the retranslation are included in the income statement.

Both subsidiaries have USD as reporting currency, so on consolidation the assets and liabilities are translated into NOK at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average rates for the period. Exchange differences arising are recognised in the booked value of the subsidiary and transferred from accrued other equity to Fund for valuation differences.

Foreign exchange risk

Shipbroking commissions are mainly earned in USD. The Parent company has majority of its expenses in NOK. The company exposed to foreign exchange fluctuations. To reduce the exposure the company uses derivative financial instruments, such as forward foreign exchange contracts. Gains or losses are recognized in the income statement.

In 2020 the company sold USD 20 500 000 at an average exchange rate of USD/NOK = 9,3212



At balance sheet date the company has sold USD 6 400 000 for future exchange in 2021 and 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	175 797 765	4 986 075	180 783 840
Group Income	291 377 779	4 986 075	296 363 854
Geographically distributed between the group Income	Norway	Singapore	USA
	180 783 840	96 229 366	19 350 648

Note 3 - Payroll expenses

Parent company	2020	2019		
Salary	112 660 489	142 659 341		
Employer tax	16 182 769	21 004 470		
Pension cost	4 884 584	4 969 442		
Other benefits	3 461 473	4 107 886		
	<u>137 189 315</u>	<u>172 741 139</u>		
Number of employees	51	51		
Group	2020	2019		
Salary	182 292 388	201 674 530		
Employer tax	19 732 455	24 229 767		
Pension cost	8 181 787	7 100 228		
Other benefits	6 182 765	7 430 843		
	<u>216 389 396</u>	<u>240 435 368</u>		
Number of employees	84	85		
Remuneration		CEO	Board of directors	
Remuneration			390 000	
Salary		4 855 641		
Individual pension and insurance cost		30 278		
Other individual income to CEO		16 502		
		<u>4 902 421</u>	<u>390 000</u>	

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



Audit

Parent company

Remuneration to audit for the Financial year 2020 is a total of NOK 169 850 which NOK 159 450 is mandatory audit by law, And NOK 10 400 for other services. All amounts are exclusive of VAT.

Group

Remuneration to audit for the Financial year 2020 for the entire group is NOK 277 795, whereas NOK 199 079 is mandatory audit and NOK 78 716 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 2020 are NOK 4 884 584

In Our Houston office there is a 401K pension plan set up. Total deposit for 2020 are USD 47 903.

Note 4 - Tangible fixed assets

Parent company	Equipment	Software	Inventory	Offices	Total
Acquisition cost 01.01	2 077 623	1 783 449	704 121	3 534 145	8 099 338
Additions during the year	203 495				203 495
Disposals during the year					
Acquisitions cost 31.12	<u>2 281 118</u>	<u>1 783 449</u>	<u>704 121</u>	<u>3 534 145</u>	<u>8 302 833</u>
Accumulated ordinary depreciati	2 070 111	1 783 449	704 121	2 678 499	7 236 180
Book value 31.12	<u>211 007</u>	<u>-</u>	<u>-</u>	<u>855 646</u>	<u>1 066 653</u>
Depreciation during the year	54 494	357 429		324 884	736 812
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 5 418 150

Group	Equipment and Software	Inventory	Offices	Total
Acquisition cost 01.01	6 528 886	2 419 466	3 534 145	12 482 497
Additions during the year	903 365	1 762 716		2 666 081
Disposals during the year		-910 133		-910 133
Acquisitions cost 31.12	<u>7 432 251</u>	<u>3 272 049</u>	<u>3 534 145</u>	<u>14 238 445</u>
Accumulated ordinary depreciation	6 235 743	2 419 466	2 678 499	11 333 708
Book value 31.12	<u>1 196 508</u>	<u>852 583</u>	<u>855 646</u>	<u>2 904 737</u>
Depreciation during the year	693 008	18 694	324 884	1 036 591
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
Prof/loss 2020	USD 2112 113 19 854 707	USD 271 334 2 550 648
Result of investments in subsidiaries	<u>19 854 707</u>	<u>2 550 648</u>
Value on balances sheet		
Value 01.01	47 185 534	310 000
This years result	19 854 707	-
Currency variances	2 295 879	-
received dividend	<u>-22 642 200</u>	<u>-</u>
Value 31.12	<u>46 693 920</u>	<u>310 000</u>

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	Steenland Containerships AS
Office	Oslo
Ownership	50 %
Acquisition cost	165 000
Prof/loss 2020	2 137 335
Result of investments in affiliated company	<u>1 068 668</u>
Value on balances sheet	
Value 01.01	389 914
This years result	1 068 668
received dividend	<u>-1 050 000</u>
Value 31.12	<u>408 582</u>

Note 6 - Investments in stocks

Financial tangible assets	Acquisition cost	Booked value	Market value	dividend
Other stocks	430 000	130 000	-	-

The stocks have been written down with NOK 300 000 due to lower value on expected sales value.



Note 7 - Taxes

Parent company

	2020	2019
Tax payable		
Profit before tax	42 911 649	43 231 376
Permanent differences	-18 764 501	-19 151 536
Changes in temporary differences	775 192	325 324
Basis for tax payable	<u>24 922 341</u>	<u>24 405 164</u>
Tax payable 22 %/ 23 %	5 482 915	5 369 136
Tax on ordinary result		
Tax payable	5 482 915	5 369 136
Changes in deferred tax	-169 482	-70 321
Total tax expenses	<u>5 313 433</u>	<u>5 298 819</u>

Specification of temporary differences

	2020	2019	Changes
Tangible fixed assets	-311 911	-153 931	
Receivables	-638 344	128 867	
Other temporary differences	-	-150 000	
	<u>-950 255</u>	<u>-175 064</u>	<u>775 191</u>
Dividend booked as income	31 500	26 700	
Shares outside the exemption method	-4 085 895	-4 085 895	
Total tax deductible differences	<u>-5 004 650</u>	<u>-4 234 259</u>	<u>-770 391</u>
Deferred tax 22 %	<u>-1 101 023</u>	<u>-931 537</u>	<u>169 486</u>

Group

Tax calculation for 2020 in Singapore is calculated as follows:

	USD
Profit before taxation	2 540 478
Add Non-deductible expenses	181 282
Other non deductible	161 988
Less Non-taxable income	-289 400
Partial tax exemption and tax relief	-74 553
Taxable income	<u>2 519 796</u>
Tax thereon 17 %	428 365
Under provision in prior year	-
Taxation	<u>428 365</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 31.12.2020. But the company pay Property tax, for 2020 this was USD 6 041.

Tax expenses Group:	2020	2019
Tax payable on net income	<u>10 350 814</u>	<u>10 008 682</u>
Taxes payable on ordinary result	10 350 814	10 008 682
Changes in deferred taxes	-953 791	-371 562
Tax on ordinary profit	<u>9 397 023</u>	<u>9 637 124</u>



Note 8 - Equity capital

Parent company

	Share capital	Other E.Q	Revaluation	Total
Equity capital 01.01.	1 200 000	42 248 977	45 914 456	89 363 432
Fund for valuation variances		-19 854 707	22 150 586	2 295 879
Received dividend		22 642 200	-22 642 200	-
Allocated dividend		-17 963 638		-17 963 638
Net income		37 598 216		37 598 216
Equity capital 31.12.	1 200 000	64 671 046	45 422 842	111 293 888

Group

	Share capital	Other E.Q	Revaluation	Total
Equity capital 01.01.	1 200 000	76 952 714	-	78 152 714
This year's change in equity capital				-
Conversion difference		2 559 350		2 559 350
Allocated dividend		-17 963 638		-17 963 638
Net income		42 148 874		42 148 874
Equity capital 31.12.	1 200 000	103 697 300	-	104 897 300

Note 9 - Share capital and shareholders

Shareholder information

Ownership structure

Shareholders per. 31.12.20 were:

	Ordinary shares	Total Share capital	Ownership	Voting rights
Stenslandfondet	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 Lie	11 117	44 468	3,71 %	3,71 %
Morten Andersen	10 411	41 644	3,47 %	3,47 %
Rasmus O. Schmidt	10 411	41 644	3,47 %	3,47 %
Tormod Brækhus	10 411	41 644	3,47 %	3,47 %
Pål A. Bjørestad	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

S. Botolf Sundby

Office No. of ordinary shares

CEO 18 000



Note 10 - Mortgages and guarantees

Capitalized debt secured by mortgage etc.	2020	2019
Rent guarantee Olav Thon Eiendom	3 000 000	3 000 000
Rent guarantee for rent in Houston	-	-
Debt to credit institutions (cash credit)	-	-
Total	3 000 000	3 000 000

Carrying value of assets pledged as security for mortgage debt.

Receivables	0	23 635 588
Bank deposit	0	78 853 187
Total	0	102 488 775

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

Note 11 - Restricted bank deposits

	2020	2019
Parent company		
Restricted tax withholdings	2 295 754	2 586 157
Group		
Restricted tax withholdings	2 295 754	2 586 157

Note 12 - Accounts receivable

	2020	2019
Parent company		
Accounts receivable	19 729 718	23 635 588
Group		
Accounts receivable	36 512 699	53 429 332

Note 13 - Receivables group companies

	2020	2019
Subsidiary		
Receivables Steem1960 Singapore Pte Ltd.	5 106 068	5 170 648
Receivables Steem1960 Houston LLC	14 296 330	18 039 523
	<u>19 402 398</u>	<u>23 210 171</u>

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



STEEM 1960
SHIPBROKERS

FINANCIAL STATEMENT 2020

Profit and Loss

	notes	2020	2019
Revenue			
Commission income		2 058 492	2 098 336
Other ordinary income		-	-
Total income	1	2 058 492	2 098 336
Operating cost			
Salaries and personell cost	2	1 514 496	1 418 678
depreciation		648	54
Other operating cost		265 972	340 103
Total operating cost		1 781 116	1 758 835
Operating profit/-loss		277 376	339 501
Financial cost			
Interest expenses	4	-	-
Net financial items		-	-
Profit before tax		277 376	339 502
Taxes		6 041	4 796
Net profit		271 334	334 704
Allocations			
Transfer to/from equity	3	271 334	334 704



STEEM 1960
SHIPBROKERS

FINANCIAL STATEMENT 2020

Balance Sheet

	notes	2020	2019
Assets			
Fixed asstes		<u>1 243</u>	<u>1 891</u>
Total Assets		<u>1 243</u>	<u>1 891</u>
Current assets			
Receivables	1	473 570	626 813
Other receivables	4	<u>27 084</u>	<u>27 925</u>
total receivables		<u>500 654</u>	<u>654 739</u>
cash and bank deposits			
Bank		1 132 055	769 461
Total cash and bankdeposits		<u>1 132 055</u>	<u>769 461</u>
Total Assets		<u>1 633 952</u>	<u>1 426 090</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>-1 927 498</u>	<u>-2 198 832</u>
Total Equity		<u>-1 412 498</u>	<u>-1 683 832</u>
Debt			
Long term debt	4	<u>2 406 935</u>	<u>2 496 880</u>
Short term debt			
Accounts payable		1 033	9 292
Public debt payable		-	-
Other short term debt		<u>638 481</u>	<u>603 750</u>
Total short term debt		<u>639 514</u>	<u>613 042</u>
Total debt		<u>3 046 449</u>	<u>3 109 922</u>
Total Equity and debt		<u>1 633 952</u>	<u>1 426 090</u>



STEEM1960 HOUSTON LLC ACCOUNTING NOTES 2020

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 Statment.

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

	2020	2019
Wages & salaries	1 221 750	1 181 070
Employer taxes	75 442	90 378
Group health insurance	112 314	80 183
Retirement plan	47 903	11 430
Other expenses	57 086	55 616
	<u>1 514 496</u>	<u>1 418 678</u>

As per December 31st 2020 we had 6 employees in the Houston office.

Equity

	Paid In capital	Retained earnings	Total equity
Equity 01.01.	515 000	-2 198 832	-1 683 832
Year end result	-	271 334	271 334
Equity 31.12.	<u>515 000</u>	<u>-1 927 498</u>	<u>-1 412 498</u>

Group transactions

Steen1960 Shipbrokers AS in Oslo is the 100 % owning mother company. All starting 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.

	2020 Oslo	2020 Singapore
Balance January 1st	-2 496 880	-1 033
Trade transactions	34 081	-
Non-trade transactions	124 026	-
Intercompany accounts	<u>-2 406 935</u>	<u>-1 033</u>



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 2020**

AUDNEST ASSURANCE



STEEM1960 SINGAPORE PTE. LTD.

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR EDNED 31 DECEMBER 2020

<u>CONTENTS</u>	<u>PAGE NO.</u>
Directors' Statement	1 - 2
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 35



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 2020.

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 2020 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

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 1.1.2020	Balance at 31.12.2020	Balance at 1.1.2020	Balance at 31.12.2020
	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 Botolf Sundby
Director

Singapore
Date, 10 MAR 2021



AUDNEST ASSURANCE

CHARTERED ACCOUNTANTS SINGAPORE

(Registration No. T15PF0007K)

105 Cecil Street

The Octagon, #22-00(Suite 2225)

Singapore 069534

Tel : (+65) 6221 6448

E-mail: info@audnest.com.sg

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Steem1960 Singapore Pte. Ltd.** (the Company), which comprise the statement of financial position of the Company as at 31 December 2020, 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 2020 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, 10 MAR 2021



STEEM1960 SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
ASSETS			
Non-current assets			
Plant and equipment	4	214,176	32,276
Right-of-use assets	5	1,132,932	802,158
		<u>1,347,108</u>	<u>834,434</u>
Current assets			
Trade and other receivables	6	1,773,396	2,766,436
Prepaid operating expenses		120,110	105,076
Cash and cash equivalents	7	7,991,742	6,993,492
		<u>9,885,248</u>	<u>9,865,004</u>
Total assets		<u>11,232,356</u>	<u>10,699,438</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	187,750	187,750
Unappropriated profit		5,273,028	5,160,915
Total equity		<u>5,460,778</u>	<u>5,348,665</u>
Non-current liabilities			
Lease liabilities	9	819,544	470,594
Current liabilities			
Trade and other payables	10	439,309	778,841
Accrued operating expenses		3,617,195	3,216,012
Lease liabilities	9	325,024	356,922
Provision for taxation	11	570,506	528,404
		<u>4,952,034</u>	<u>4,880,179</u>
Total liabilities		<u>5,771,578</u>	<u>5,350,773</u>
Total equity and liabilities		<u>11,232,356</u>	<u>10,699,438</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 2020

	Note	2020 US\$	2019 US\$
REVENUE			
Commission income	12	10,236,731	10,535,590
ADD: Other items of income			
Interest income		-	14,113
Government grants		285,196	22,304
Recovery of trade receivables impaired		156	1,950
Rental relief income		10,223	-
Miscellaneous income		3,365	221
LESS: Other items of expense			
Distribution costs		(11,734)	(89,783)
Administrative expense		(6,910,686)	(6,224,929)
Other expenses		(1,064,298)	(1,309,925)
Finance costs			
- Interest expenses on lease liabilities		(8,475)	(12,586)
		(7,995,193)	(7,637,223)
Profit before taxation	13	2,540,478	2,936,955
Taxation	14	(428,365)	(487,986)
Net profit for the year, representing total comprehensive income for the year		2,112,113	2,448,969

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 2020

	Note	Share capital US\$	Unappropriated profit US\$	Total equity US\$
Balance as at 1 January 2019		187,750	4,711,946	4,899,696
Net profit for the year, representing total comprehensive income for the year		-	2,448,969	2,448,969
Dividend paid	15	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2019		<u>187,750</u>	<u>5,160,915</u>	<u>5,348,665</u>
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>

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 2020**

	Note	2020 US\$	2019 US\$
Cash flow from operating activities			
Profit before taxation		2,540,478	2,936,955
Adjustments for:			
Allowance for impairment on trade receivables		65,826	33,593
Trade receivables impaired		98,909	156
Depreciation of plant and equipment		31,241	36,049
Depreciation of right-of-use asset		324,181	357,510
Lease liabilities interest expenses		8,475	12,586
Loss on disposal of plant and equipment		-	190
Other receivables written off		-	16,799
Other payables written off		-	(187)
Interest income		-	(14,113)
Operating cash flows before working capital changes		3,069,110	3,379,538
Working capital changes:			
Trade and other receivables		876,578	(821,090)
Prepaid operating expenses		(15,034)	2,699
Trade and other payables		(339,532)	123,938
Accrued operating expenses		401,183	821,957
		923,195	127,504
Cash generated from operations		3,992,305	3,507,042
Income tax paid		(386,263)	(376,076)
Net cash generated from operating activities		3,606,042	3,130,966
Cash flow from investing activities			
Interest received		-	14,113
Purchase of plant and equipment		(213,141)	(18,811)
Net cash used in investing activities		(213,141)	(4,698)
Cash flow from financing activities			
Dividend paid		(2,000,000)	(2,000,000)
(Advance to) / Repayment from the immediate holding corporation		(48,273)	23,676
Repayment of obligations under leases		(346,378)	(344,738)
Net cash used in financing activities		(2,394,651)	(2,321,062)
Net change in cash and cash equivalents		998,250	805,206
Cash and cash equivalents as at 1 January		6,993,492	6,188,286
Cash and cash equivalents as at 31 December	6	7,991,742	6,993,492

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 2020

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

1. General corporate information

Steem1960 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 and principal place of business are at 171B Telok Ayer Street Singapore 068621 and 4 Robinson Road #09-01 The House of Eden Singapore 048543 respectively. 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 2020 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 Leases : Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments : Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform - Phase 2	1 January 2021



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 16 Property, Plant and Equipment : Proceeds before Intended Use	1 January 2022
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 2018-2020	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 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.

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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (Continued)

2.3 Plant and equipment (Continued)

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 2020

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 2020

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 2020

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 2020

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 2020

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 2020

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 2020

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 2020

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 2020

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\$48,512 was recognized as at 31 December 2020.

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 2020 were US\$214,176 (2019: US\$32,276) respectively (Note 4).



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Plant and equipment

	Computer US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Signage US\$	Total US\$
Cost						
Balance at 1.1.2019	241,997	61,885	36,359	106,665	707	447,613
Additions	18,811	-	-	-	-	18,811
Disposal	(524)	-	-	-	-	(524)
Balance at 31.12.2019	260,284	61,885	36,359	106,665	707	465,900
Additions	13,099	604	-	199,438	-	213,141
Written off	-	-	-	(106,665)	-	(106,665)
Balance at 31.12.2020	273,383	62,489	36,359	199,438	707	572,376
Accumulated depreciation						
Balance at 1.1.2019	209,580	54,880	33,254	99,488	707	397,909
Depreciation for the year	20,906	6,425	1,541	7,177	-	36,049
Disposal	(334)	-	-	-	-	(334)
Balance at 31.12.2019	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
Net carrying amount						
Balance at 31.12. 2020	23,438	616	656	189,466	-	214,176
Balance at 31.12. 2019	30,132	580	1,564	-	-	32,276

5. Right-of-use assets

	Office premise and staff accommodation US\$
Cost	
Balance at 1.1.2019	-
Adoption of SFRS 116	1,159,668
Balance at 31.12.2019	1,159,668
Addition during the year	1,068,865
Disposal	(714,143)
Balance at 31.12.2020	1,514,390



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. Right-of-use assets (Continued)

	Office premise and staff accommodation US\$
Accumulated depreciation	
Balance at 1.1.2019	-
Depreciation for the year	357,510
Balance at 31.12.2019	357,510
Depreciation for the year	324,181
Disposal	(300,233)
Balance at 31.12.2020	381,458
Net carrying amount	
Balance at 31.12. 2020	1,132,932
Balance at 31.12. 2019	802,158

6. Trade and other receivables

	2020 US\$	2019 US\$
Trade receivables	1,514,006	2,547,420
Trade receivable from a related company	1,033	-
Less: Allowance on impairment	(89,444)	(48,512)
Total trade receivables	1,425,595	2,498,908
Non-trade receivable from the immediate holding corporation	221,170	172,897
Deposit	80,238	85,415
GST receivables	10,619	9,216
Deferred grant receivables	35,774	-
Total other receivables	347,801	267,528
Total trade and other receivables	1,773,396	2,766,436

The average credit period on commission income is 14 days (2019: 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 2020**

6. Trade and other receivables (Continued)

At 31 December 2020, the lifetime expected loss provision for Company's trade receivables are as follows:

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
As at 31 December 2019	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	1,108,188	984,730	454,502	2,547,420
Loss allowance	-	-	(48,512)	(48,512)
Gross carrying amount	1,108,188	984,730	405,990	2,498,908

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

	2020 US\$	2019 US\$
Balance as at 1 January	48,512	16,869
Add: Addition during the year	65,826	33,593
Less: Recovery of trade receivables impaired	-	(1,950)
Less: Trade receivables impaired during the year	(24,894)	-
Balance as at 31 December	89,444	48,512

As at 31 December 2020, trade receivables of US\$89,444 (2019: US\$48,512) 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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. Trade and other receivables (Continued)

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

	2020	2019
	US\$	US\$
Denominated in:		
Singapore dollars	126,631	94,631
United States of America dollars	1,646,765	2,671,805
	<u>1,773,396</u>	<u>2,766,436</u>

7. Cash and cash equivalents

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

	2020	2019
	US\$	US\$
Cash at bank	7,990,292	6,992,042
Cash on hand	1,450	1,450
Cash and cash equivalents	<u>7,991,742</u>	<u>6,993,492</u>

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

	2020	2019
	US\$	US\$
Denominated in:		
Singapore dollars	46,523	191,609
United States of America dollars	7,929,432	6,787,430
Euro	15,787	14,453
	<u>7,991,742</u>	<u>6,993,492</u>

8. Share capital

	2020	2019
	US\$	US\$
Issued and fully paid 250,000 (2019: 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.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. Lease liabilities

	2020 US\$	2019 US\$
At 1 January 2020	827,516	-
Adoption of SFRS 116	-	1,159,668
Additions	1,068,865	-
Reversal	(413,910)	-
Interest expense	8,475	12,586
Lease payments:		
- Principal portion	(337,903)	(332,152)
- Interest portion	(8,475)	(12,586)
At 31 December 2020	1,144,568	827,516

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

	2020 US\$	2019 US\$
Contractual undiscounted cash flows		
- Within one financial year	336,613	364,901
- Between two and five financial years	836,076	474,690
- After 5 years	-	-
	1,172,689	839,591
Less: Future interest expense	(28,121)	(12,075)
Present value of lease liabilities	1,144,568	827,516
Presented in statement of financial position		
- Not later than a year	325,024	356,922
- Between one and two years	819,544	470,594
	1,144,568	827,516

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.

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



STEEM1960 SINGAPORE PTE. LTD.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

10. Trade and other payables

	2020 US\$	2019 US\$
Trade payables	927	5,193
Trade payable to the immediate holding corporation	378,510	770,282
Total trade payables	<u>379,437</u>	<u>775,475</u>
Other payables	-	3,366
Deferred grant liabilities	59,872	-
Total other payables	<u>59,872</u>	<u>3,366</u>
Total trade and other payables	<u>439,309</u>	<u>778,841</u>

The average credit period granted by suppliers ranged from 30 to 60 days (2019: 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:

Denominated in:	2020 US\$	2019 US\$
Singapore dollars	60,799	5,193
United States of America dollars	373,557	773,648
Euro	4,953	-
	<u>439,309</u>	<u>778,841</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 2020			
Trade payable to the immediate holding corporation	436,348	(57,838)	<u>378,510</u>
As at 31 December 2019			
Trade payable to the immediate holding corporation	843,198	(72,916)	<u>770,282</u>



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Provision for taxation

	2020 US\$	2019 US\$
Balance as at 1 January	528,404	416,494
Provision for the year	428,365	528,404
Payment during the year	(386,263)	(376,076)
Overprovision in prior year	-	(40,418)
Balance as at 31 December	<u>570,506</u>	<u>528,404</u>

12. Revenue

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

	2020 US\$	2019 US\$
Commission income for the year	10,365,239	11,050,767
Less: Commission expense on co-brokering	(128,508)	(515,177)
Net commission income for the year	<u>10,236,731</u>	<u>10,535,590</u>

13. Profit before taxation

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

	2020 US\$	2019 US\$
Include in Distribution costs:		
Advertisements	1,099	5,587
Overseas business travelling expenses	<u>10,635</u>	<u>84,196</u>
Include in Administrative expenses:		
Telecommunication expenses	66,946	82,350
Employee benefits expense:		
- Staff salaries and bonuses	6,071,104	5,526,956
- Employer's CPF and other contributions	302,464	273,432
- Staffs' benefits	63,461	53,613
- Staffs' insurance	302,849	230,603
	<u>6,739,878</u>	<u>6,084,604</u>



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. Profit before taxation (Continued)

	2020 US\$	2019 US\$
Include in Other expenses:		
Depreciation of plant and equipment	31,241	36,049
Depreciation of right-of-use asset	324,181	357,510
Allowance for impairment on trade receivables	65,826	33,593
Lease liabilities interest expenses	8,475	12,586
Loss on disposal of plant and equipment	-	190
Trade receivables impaired	98,909	156
Entertainment expense	132,583	348,972
Exchange (gain) / loss	(15,335)	22,225
Professional fee expense	35,243	31,633

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

14. Taxation

	2020 US\$	2019 US\$
Current financial year income tax	428,365	528,404
Overprovision in prior year	-	(40,418)
	<u>428,365</u>	<u>487,986</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:

	2020 US\$	2019 US\$
Profit before taxation	<u>2,540,478</u>	<u>2,936,955</u>
Income tax calculated at Singapore's statutory income tax rate of 17%	431,881	499,282
Tax effect of non-taxable income	(49,198)	-
Tax effect of non-deductible expenses for income tax purposes	30,818	39,841
Effect of tax exemption and tax relief	(12,674)	(23,584)
(Over) / Under provision in prior year	-	(40,418)
Others	27,538	12,865
	<u>428,365</u>	<u>487,986</u>



STEEM1960 SINGAPORE PTE. LTD.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

15. Dividend paid

During the financial year ended 31 December 2020, the Company declared and paid a final one-tier tax exempt dividend of US\$8 per ordinary share of the Company totaling US\$2,000,000 in respect of the financial year ended 31 December 2019.

The directors proposed an one-tier tax exempt final dividend of US\$12 per ordinary share of the Company totaling US\$3,000,000. 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:

	2020	2019
	US\$	US\$
With the immediate holding corporation		
Commission income	57,838	95,551
Commission expense on co-brokering	(128,508)	(492,567)
Share of research cost	(219,081)	(278,040)
Computer expenses	(88,759)	(95,227)
Payment of expenses on behalf for	(221,170)	(172,897)
	<hr/>	<hr/>
With companies who have common director with significant influence		
Accounting fee expenses	(43,665)	(36,656)
Professional fee expenses	(24,166)	(24,997)
	<hr/>	<hr/>

17. Financial risk management

The Company's activities have exposure to market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Financial risk management (Continued)

There has been no change to the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

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 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	-	-	-
	Euro US\$	S\$ US\$	Total US\$
As at 31 December 2019			
Trade and other receivables	-	94,631	94,631
Cash and cash equivalent	14,453	191,609	206,062
Lease liabilities	-	(827,516)	(827,516)
Trade and other payables	-	(5,193)	(5,193)
Net financial assets / (liabilities)	14,453	(546,469)	(532,106)
Currency exposure	14,453	(546,469)	(532,106)
Effect of 1% change in United States of America dollars on			
- Profit before taxation	145	(5,465)	(5,320)
- 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 2020

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 2020, 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 18% (2019: 9%) 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

The Company manages its liquidity position with a view to meet its obligation on a timely basis. The Company measures and manages its cash flow requirement regularly.

All the Company's financial liabilities are due within 1 year except for lease liability where the undiscounted cash flows of lease liability based on the earlier of the contractual date or when the Company is expected to pay is disclosed in note 9.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Financial risk management (Continued)

d) 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

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
- 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 2020.

18. Financial instruments

a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are maximized. The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Financial instruments (Continued)

a) Classification of financial instruments (Continued)

As at 31 December 2020	Solely payments of principal and interest US\$	Financial liabilities at amortized cost US\$	Total US\$
Assets			
Trade and other receivables	1,773,396	-	1,773,396
Cash and cash equivalents	7,991,742	-	7,991,742
Total financial assets	9,765,138	-	9,765,138
Total non-financial assets			1,467,218
Total assets			11,232,356
Liabilities			
Trade and other payables	-	(439,309)	(439,309)
Lease liabilities	-	(1,144,568)	(1,144,568)
Total financial liabilities	-	(1,583,877)	(1,583,877)
Total non-financial liabilities			(4,187,701)
Total liabilities			(5,771,578)
As at 31 December 2019			
Assets			
Trade and other receivables	2,766,436	-	2,766,436
Cash and cash equivalents	6,993,492	-	6,993,492
Total financial assets	9,759,928	-	9,759,928
Total non-financial assets			939,510
Total assets			10,699,438
Liabilities			
Trade and other payables	-	(778,841)	(778,841)
Lease liabilities	-	(827,516)	(827,516)
Total financial liabilities	-	(1,606,357)	(1,606,357)
Total non-financial liabilities			(3,744,416)
Total liabilities			(5,350,773)

b) Derivative financial instrument

The Company does not utilize any derivative financial instrument.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. 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.

	2020 US\$	2019 US\$
Current assets	9,885,248	9,865,004
Current liabilities	(4,952,034)	(4,880,179)
Net current assets	<u>4,933,214</u>	<u>4,984,825</u>
Total assets	11,232,356	10,699,438
Total liabilities	(5,771,578)	(5,350,773)
Capital surplus	<u>5,460,778</u>	<u>5,348,665</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.

DETAIL INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020 US\$	2019 US\$
REVENUE		
Commission income	10,365,239	11,050,767
Less: Commission expense on co-brokering	(128,508)	(515,177)
	<u>10,236,731</u>	<u>10,535,590</u>
ADD: Other items of income		
Interest income	-	14,113
Government grants	285,196	22,304
Recovery of trade receivables impaired	156	1,950
Rental relief income	10,223	-
Miscellaneous income	3,365	221
	<u>298,940</u>	<u>38,588</u>
LESS: Other items of expenses		
Distribution costs		
Advertisement expenses	1,099	5,587
Overseas business travelling expenses	10,635	84,196
	<u>11,734</u>	<u>89,783</u>
Administrative expenses		
Staff salaries and bonuses	6,071,104	5,526,956
Employer's CPF and other contributions	302,464	273,432
Skill development levy	2,788	2,547
Bank charges	11,798	15,021
Insurance expense	910	906
Office maintenance	75,660	9,092
Postage and courier	3,419	5,263
Printing and stationery	6,912	9,426
Leave passage	5,458	15,720
Staffs' benefits	63,461	53,613
Staffs' insurance	302,849	230,603
Telecommunication expenses	66,946	82,350
Property tax rebate	(3,083)	-
	<u>6,910,686</u>	<u>6,224,929</u>



STEEM1960 SINGAPORE PTE. LTD.

**DETAIL INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	2020 US\$	2019 US\$
Other expenses		
Accounting fee expenses	43,664	36,656
Allowance for impairment on trade receivables	65,826	33,593
Computer expenses	73,895	66,205
Depreciation of plant and equipment	31,241	36,049
Depreciation of right-of-use asset	324,181	357,510
Entertainment expenses	132,583	348,972
Exchange (gain) / loss	(15,335)	22,225
General expenses	21,544	34,279
Loss on disposal of plant and equipment	-	190
Other receivables written off	-	16,799
Professional fees expenses	35,243	31,633
Share of research cost from the holding company	219,081	278,040
Subscription fee	21,765	30,151
Trade receivables impaired	98,909	156
Tax return preparation fee	1,828	2,071
Utilities	9,873	15,396
	1,064,298	1,309,925
Finance costs		
Interest expenses on lease liabilities	8,475	12,586
	8,475	12,586
Profit before taxation	2,540,478	2,936,955



Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo
www.bdo.no

Independent Auditor's Report

To the General Meeting in Steem1960 Shipbrokers AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Steem1960 Shipbrokers AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Steem1960 Shipbrokers AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Steem1960 Shipbrokers AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report.

Our opinion on the financial statements does not cover the other information 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 the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
<https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

BDO AS

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



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Bente Hodne

Statsautorisert revisor

Serienummer: 9578-5995-4-175318

IP: 188.95.xxx.xxx

2021-03-17 19:48:42Z



Penneo Dokumentnøkkel: V2F7-EEJX-4TTW-EXIDG-86JIS-3KJUK

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>