



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 585 522
Organisasjonsform: Aksjeselskap
Foretaksnavn: SINOCEANIC SHIPPING AS
Forretningsadresse: Haakon VIIIs gate 1
0161 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap 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: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Katrine Aas
Dato for fastsettelse av årsregnskapet: 23.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 05.07.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Intercompany revenue	2, 13		
Management fee income	2, 13	1 716 000	3 226 000
Sum inntekter		1 716 000	3 226 000
Kostnader			
Personell expenses	4	2 616 000	2 360 000
Depreciation and amortisation	7	8 000	12 000
Other expenses	5	706 000	683 000
Sum kostnader		3 329 000	3 056 000
Driftsresultat		-1 613 000	170 000
Finansinntekter og finanskostnader			
Annen renteinntekt			87 000
Financial income	8	3 777 000	
Net foreign exchange gain (loss)	3	-56 000	-30 000
Sum finansinntekter		3 721 000	56 000
Annen rentekostnad	3	59 000	
Financial expenses	8	110 000	1 010 000
Sum finanskostnader		169 000	1 011 000
Netto finans		3 552 000	-954 000
Ordinært resultat før skattekostnad		1 940 000	-784 000
Income tax expense	6		
Ordinært resultat etter skattekostnad		1 940 000	-784 000
Årsresultat		1 940 000	-784 000
Årsresultat etter minoritetsinteresser		1 940 000	-784 000
Totalresultat		1 940 000	-784 000



Resultatregnskap

Beløp i: USD	Note	2021	2020
Overføringer og disponeringer			
Equity holders of the parent		1 940 000	-784 000
Sum overføringer og disponeringer		1 940 000	-784 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Furnitures and fixtures	7	22 000	30 000
Sum varige driftsmidler		22 000	30 000
Finansielle anleggsmidler			
Investering i datterselskap	8	9 730 000	9 733 000
Long term receivables	14	1 061 000	1 061 000
Non-current restricted cash	10		
Sum finansielle anleggsmidler		10 791 000	10 794 000
Sum anleggsmidler		10 813 000	10 824 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables and other receivables	9, 13	4 008 000	255 000
Sum fordringer		4 008 000	255 000
Bankinnskudd, kontanter og lignende			
Current restricted cash	10	260 000	267 000
Cash and cash equivalents	10	14 180 000	16 455 000
Sum bankinnskudd, kontanter og lignende		14 440 000	16 722 000
Sum omløpsmidler		18 448 000	16 977 000
SUM EIENDELER		29 262 000	27 801 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: USD	Note	2021	2020
Innskutt egenkapital			
Share capital	11, 12	172 000	172 000
Overkurs	12	225 000	225 000
Sum innskutt egenkapital		397 000	397 000
Opptjent egenkapital			
Other equity	12	28 360 000	26 421 000
Sum opptjent egenkapital		28 360 000	26 421 000
Sum egenkapital		28 758 000	26 818 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	13	40 000	508 000
Provision for tax liability	6		
Provisions for other liabilities and charges	15	464 000	475 000
Sum kortsiktig gjeld		504 000	983 000
Sum gjeld		504 000	983 000
SUM EGENKAPITAL OG GJELD		29 262 000	27 801 000



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Charter hire revenue	3, 4	7 497 000	2 715 000
Other revenue	4, 16	1 504 000	2 675 000
Sum inntekter		9 001 000	5 390 000
Kostnader			
Vessel operating expenses	5	2 902 000	2 693 000
Depreciation and amortisation	8	287 000	281 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8		
Administrative expenses	5, 6	3 059 000	2 804 000
Sum kostnader		6 249 000	5 778 000
Driftsresultat		2 752 000	-389 000
Finansinntekter og finanskostnader			
Annen renteinntekt	16		90 000
Net foreign exchange gain (loss)	3	-56 000	-31 000
Sum finansinntekter		-56 000	60 000
Annen rentekostnad	3, 12	79 000	15 000
Financial expenses	16	90 000	439 000
Sum finanskostnader		169 000	454 000
Netto finans		-224 000	-395 000
Ordinært resultat før skattekostnad		2 528 000	-783 000
Tax on ordinary result	7		
Ordinært resultat etter skattekostnad		2 528 000	-783 000
Årsresultat		2 528 000	-783 000
Årsresultat etter minoritetsinteresser		2 528 000	-783 000
Totalresultat		2 528 000	-783 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	8	8 507 000	8 250 000
Furniture and fixtures	8	488 000	557 000
Sum varige driftsmidler		8 995 000	8 807 000
Finansielle anleggsmidler			
Available-for-sale financial assets	14		
Long term receivables	16	1 061 000	1 061 000
Non-current restricted cash	10		
Sum finansielle anleggsmidler		1 061 000	1 061 000
Sum anleggsmidler		10 055 000	9 868 000
Omløpsmidler			
Varer			
Sum varer		134 000	186 000
Fordringer			
Trade receivables and other receivables	9, 16	510 000	908 000
Sum fordringer		510 000	908 000
Bankinnskudd, kontanter og lignende			
Current restricted cash	10	260 000	267 000
Cash and cash equivalents	10	19 656 000	17 367 000
Sum bankinnskudd, kontanter og lignende		19 916 000	17 634 000
Sum omløpsmidler		20 560 000	18 728 000
SUM EIENDELER		30 615 000	28 596 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Issued capital	11	172 000	172 000
Sum innskutt egenkapital		172 000	172 000
Opptjent egenkapital			
Other equity		29 174 000	26 633 000
Sum opptjent egenkapital		29 174 000	26 633 000
Sum egenkapital		29 346 000	26 805 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12, 14	170 000	212 000
Sum annen langsiktig gjeld		170 000	212 000
Sum langsiktig gjeld		170 000	212 000
Kortsiktig gjeld			
Current lease liabilities	12, 14	295 000	328 000
Provision for tax liability	7		
Leverandørgjeld	16	217 000	717 000
Provisions for other liabilities and charges	13, 16	586 000	533 000
Sum kortsiktig gjeld		1 099 000	1 579 000
Sum gjeld		1 269 000	1 791 000
SUM EGENKAPITAL OG GJELD		30 615 000	28 596 000



SinOceanic Shipping AS
Consolidated Financial Statements 2021



Directors Report 2021

Our business

SinOceanic Shipping AS ("SinOceanic" or the "Company") is a private limited liability company domiciled in Norway within the business of international shipping. The Company has an organization with extensive shipping and commercial experience. The consolidated financial statements of the Company as at the year ended 31 December 2021 comprise the Company and its subsidiaries.

SinOceanic is a management service provider and owns a vessel through a wholly owned subsidiary. The vessel is chartered out on a short term charter party.

Financing activities

SinOceanic and its subsidiaries (the "Group") are funded through customary sources of financing, equity and operating cash flow.

Financial Review

Profit and loss

The operating revenues of the Group amounted to USD 9.0 million in 2021 compared to USD 5.4 million in 2020. Net profit after tax amounted to USD 2.5 million in 2021, compared to a net loss of USD 0.8 million last year.

Cash flow

Cash flow from operating activities amounted to USD 2.8 million in 2021, compared to USD 4.4 million in 2020. The variance between EBITDA in the income statement and cash flow from operations is explained by movements in the working capital.

Cash flow from investing activities amounted to USD 0.3 million in 2021 compared to USD 0.0 million in 2020.

Cash flow from financing activities amounted to minus USD 0.3 million in 2021 compared to minus USD 13.2 million in 2020. The decrease in cash flow from financing activities is related to a dividend payment in 2020.

Cash and cash equivalents increased from USD 17.6 million as per 31 December 2020 to USD 19.9 million as per 31 December 2021.

Balance Sheet

As of 31 December 2021, total assets amounted to USD 30.6 million, compared to USD 28.6 million at year end 2020.

Shareholders equity amounted to USD 29.3 million as of 31 December 2021, compared to USD 26.8 million last year. The equity ratio increased to 96% at year-end 2021 compared to 94 % to year end 2020.

Risks

General

SinOceanic's activities expose the Group to a variety of market, operational and financial risks which may have material adverse effect on the Group's business, financial condition, results of operation and liquidity. SinOceanic manages these risks by monitoring external risk factors itself, in consultation with external advisors and through internal reporting and control procedures.

The Board considers the dependency of the Executive team as important and is aware that the limited management resources makes the Group exposed to risk of losing key personnel possible threatening the positions and capabilities of the Group. SinOceanic Shipping AS has established a Directors and Officers liability company reimbursement insurance policy with a maximum aggregated limit of liability of NOK 50 million. The insurance covers the company's subsidiaries.



The major risk factors are discussed below and in more detail in note 3 to the consolidated financial statements.

Capital resources and capitalisation

The Group has a solid balance sheet. The Group owns one vessel in addition to delivering management services to related parties.

Counterparty risk

The Group has a limited number of counterparties.

Liquidity and currency risk

The Group prepares cash flow forecasts and closely monitors the cash flows to ensure always having sufficient funds to cover its financial obligations.

The Group is exposed to currency risk for expenses incurred in other currencies than USD, which is the functional currency of the Group. The income and most of the vessel operating expenses are USD denominated. The management company is domiciled in Norway and has a large part of its operating expenses in NOK. The Group is continuously assessing need to limit the currency exposure.

Allocation of profit - Parent company accounts

The Company ended the financial year with a net profit after tax of USD 2.0 million in 2021 compared to a net loss after tax of USD 0.8 million in 2020. The board's proposal is that the net profit for the year is transferred to retained earnings. The Board's proposal is that no dividend is to be paid for the financial year 2021.

Going concern

The financial statements for 2021 have been prepared on the basis of the going concern assumption and the Board hereby confirms that this assumption is valid and is of the opinion that these financial statements represent a true and fair view of the Group's position as per 31 December 2021.

Safety, Quality and Environment

SinOceanic aims to carry out safe and secure operations. During 2021, the technical management of "MV Marianetta" has been outsourced to Peter Döhle Schiffahrts-KG (Hamburg), a leading German shipping company. The operational performance of the vessel was good in 2021 without any environmental incidents or accidents.

Organization

SinOceanic employs nine employees at year-end 2021. The working environment is considered to be good. Seven of the nine employees of the Company are male. Three of three board directors are male. The Management is focusing on preventing any form of discrimination due to gender or race in relation to matters such as pay, promotion and recruitment. The Company complies with legislation on equal employment.

No serious injuries or accidents were reported in 2021.

Subsequent events

There have been no subsequent events which are considered to be material for the 2021 financial statements.

Outlook


Charter hire revenues are expected to be higher in 2022 compared to 2021 due to the strong shipping market.

Oslo, 5 May 2022

The board of Sinoceanic Shipping AS


Jan Håkon Pettersen

Chairman of the Board and CEO


Liu Liang

Board member



Consolidated Income Statement

(amounts in USD 000)

	Note	2021	2020
Operating income and operating expenses			
Charter hire revenue	3, 4	7 497	2 715
Other revenue	4, 16	1 504	2 675
Operating Income		9 001	5 390
Vessel operating expenses	5	(2 902)	(2 693)
Administrative expenses	5, 6	(3 059)	(2 804)
Total operating expenses		(5 961)	(5 497)
EBITDA		3 040	(108)
Depreciation and amortisation	8	(287)	(281)
Operating profit (EBIT)		2 752	(389)
Financial income and expenses			
Interest income	16	0	90
Net foreign exchange gain (loss)	3	(56)	(31)
Interest expenses	3, 12	(79)	(15)
Financial expenses	16	(90)	(439)
Net financial income and expenses		(224)	(395)
Tax on ordinary result	7	0	0
Net profit for the year		2 528	(783)
Total Comprehensive Income		2 528	(783)
Attributable to:			
Equity holders of the parent		2 528	(783)



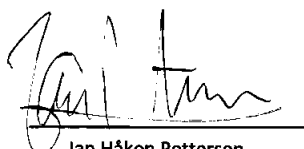
Consolidated Statement of Financial Position

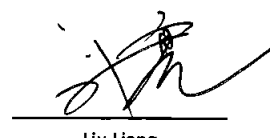
As at 31 December

(amounts in USD 000)	Note	2021	2020
Assets			
Non-current assets			
Vessel	8	8 507	8 250
Furniture and fixtures	8	488	557
Long term receivables	16	1 061	1 061
Total non-current assets		10 055	9 868
Current assets			
Inventories		134	186
Trade receivables and other receivables	9, 16	510	908
Current restricted cash	10	260	267
Cash and cash equivalents	10	19 656	17 367
Total current assets		20 560	18 728
Total assets		30 615	28 596
Equity and liabilities			
Equity			
Issued capital	11	172	172
Other equity		29 174	26 633
Total equity		29 346	26 805
Non-current liabilities			
Lease liabilities	12, 14	170	212
Total non-current liabilities		170	212
Current liabilities			
Trade and other payables	16	217	717
Current lease liabilities	12, 14	295	328
Provisions for other liabilities and charges	13, 16	586	533
Total current liabilities		1 099	1 579
Total liabilities		1 269	1 791
Total equity and liabilities		30 615	28 596

Oslo, 5 May 2022

The board of Sinoceanic Shipping AS


Jan Håkon Pettersen
Chairman of the Board and CEO


Liu Liang
Board member



Consolidated Statement of Changes in Equity

As at 31 December

2021

(USD 000)	Issued capital	Other paid in capital	Retained earnings	Currency differences	Total equity
Equity at 1 January 2021	172	74 365	(28 651)	(19 082)	26 805
Profit for the period	-	-	2 528	-	2 528
Other equity transactions	-	-	14	-	14
Equity at 31 December 2021	172	74 365	(26 110)	(19 082)	29 346

2020

(USD 000)	Issued capital	Other paid in capital	Retained earnings	Currency differences	Total equity
Equity at 1 January 2020	172	74 365	(14 953)	(19 082)	40 502
Loss for the period	-	-	(783)	-	(783)
Dividend paid	-	-	(12 900)	-	(12 900)
Other equity transactions	-	-	(14)	-	(14)
Equity at 31 December 2020	172	74 365	(28 651)	(19 082)	26 805



Consolidated Statement of Cash Flows

(amounts in USD 000)	Note	2021	2020
Operating activities			
Profit / (loss) before tax		2 528	(783)
Taxes paid	7	-	-
Depreciation and amortisation	8	287	281
Finance income and expense	16	(224)	(44)
Working capital changes		250	4 958
Net cash flows from operating activities		2 841	4 412
Investing activities			
Investments vessel/drydocking	8	(257)	-
Furniture and equipment	8	-	(9)
Net cash flows from investing activities		(257)	(9)
Financing activities			
Repayment lease debt	12	(303)	(264)
Dividend paid	11	-	(12 900)
Net cash flows from financing activities		(303)	(13 164)
Net change in cash and cash equivalents		2 281	(8 761)
Restricted cash at January 1	10	267	1 660
Restricted cash at end period	10	260	267
Cash and cash equivalents at January 1	10	17 367	24 735
Cash and cash equivalents at end of period	10	19 656	17 367



Notes to the Consolidated Financial Statements

1. Corporate information

SinOceanic Shipping AS (here after the "Company" or "SinOceanic") is a private limited liability company incorporated and domiciled in Norway. The company's registered office is located at Haakon VII's gate 1, 0161 Oslo, Norway.

The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements were authorised for issue by the Board of Directors on 5 May 2022. Reference is made to note 8 accompanying the company accounts of SinOceanic for information about the subsidiaries. The subsidiaries have the same registered office as the Company. SinOceanic Shipping AS is 100% owned by SinOceanic Group Limited, incorporated in Cyprus.

2. Significant accounting policies

Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) as adopted by the EU, and the additional applicable disclosure requirements of the Norwegian accounting act per 31 December 2021.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value.

(c) Functional and presentation currency

The Group's functional currency is US Dollar (USD), and the consolidated financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The charter party contract has been concluded to be an operational lease.

Management has made the following judgement which has the most significant effect on the amounts recognised in the financial statement:

Note 8 – Property plant and equipment. The PP&E policies include key assumptions for the valuation of the vessel, such as identification of components, residual value and the useful life, used in the calculation of depreciation and impairment of fixed assets. These key assumptions are regarding useful life are derived from industry benchmarks and information related to the specific asset. Assumption of residual value is estimated based upon the current steel prices. Assumptions regarding valuation are derived from broker estimates for the vessels as of year-end and expected counterparty risk under the current time charter and bare boat contracts. The most important consideration is made in relation to the counterparty risk. The expectation that contract revenues are not sufficient to carry both the direct and indirect cost qualifies as an impairment trigger or indication of an onerous contract. At the point when the contract comes to its expiration date and there is no expected extension of the contract or new contract with sufficient revenues to carry the cost, this also qualifies as an impairment trigger. In this situation the market value of the vessel will be used in the evaluation of impairment.

Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.



(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gains or losses on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances

Financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings, and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

Measurement

Property, plant and equipment are recognised at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs directly attributable to the acquisition.



Depreciation

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision in estimate are accounted for on a prospective basis. The estimated useful lives are as follows:

- Vessel 30 years
- Dry docking 5 years
- Furniture and fixtures 5 years
- Artwork Indefinite

A portion of the acquisition cost paid for a vessel is capitalised as dry docking. These costs are depreciated over the period until the next scheduled dry docking, which is generally 60 months.

Subsequent expenditures

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(e) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised in profit and loss if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Each vessel and each newbuilding is considered as one separate CGU.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Shares

Non-current investments in shares, in which the company does not have significant influence, are carried at cost. The investments are written down to fair value if a decline in the value is expected to be permanent. Dividends received from these companies are recognised as financial income.

(g) Non-current assets and disposal groups held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale or is highly probable and the asset or disposal group is available for immediate distribution in its present condition.

(h) Inventories

The Group values its inventories, which comprise mainly of lube oils and stores on board the vessels, at the lower of cost and net realisable value. They are accounted for on a first-in/first-out basis.



(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is measured at the fair value of the consideration received or receivable. Revenues earned by the Group are recognised on the following bases:

Rendering of services

Sales of services are recognised in the period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Time charter hire revenue

Revenue from time charters represents charter hire earned under time charter agreement and is recorded over the term of the charter as service is provided.

(j) Operating expenses

Operating expenses are recognised when incurred. Vessel operating expenses represent expenses incurred under time charter agreement and are recorded over the term of the charter as service is received.

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The charter party contract constitutes an operational lease. Lease payments received under operating leases (Group as lessor) are recognised in profit or loss on a straight-line basis over the term of the lease.

(l) Employee benefits

Defined contribution plans

SinOceanic has a defined contribution plan for the employees. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(n) Contingent liabilities and assets

Companies in the group may from time to time be involved in disputes and legal actions. Financial risk associated with disputes and legal actions are recognized as a liability or an asset in accordance with the accounting policies described above. Any disputes/actions which do not qualify as an asset or liability and that are of such a nature that they will significantly affect the group's financial position are disclosed separately.



(o) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the re-measurement to fair value of any pre-existing interest in an acquire, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(p) Income tax

Tax expenses comprise both tax payable and changes in net deferred tax. The tax includes expected tax payable on the year's taxable income using existing tax rates on the balance sheet date and any corrections on previous tax payables. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply at the time the assets are realised, or the liability is settled, on the basis of temporary differences existing between the values in the accounts and the tax-related values. The calculation also includes tax loss carry-forwards at the end of the financial year. Tax increasing and tax reducing temporary differences that reverse or can be reversed in the same period are netted in the balance sheet.

Deferred tax assets are recognised in the balance sheet when it is probable that the Group will have sufficient profit for tax purposes to utilise the tax asset.

(q) Cash Flow Statement

The cash flow statement is prepared using the indirect method.

(r) New standards and interpretations

The new or amended standards and interpretations, that became effective in 2021, has been implemented without significantly affecting the financial statements of the Company.

The company intends to adopt new or amended standards when they become effective.

3. Financial risk management

General

The Group is exposed to a variety of financial risks, including market risk, credit risk, currency risk, liquidity risk and others. The risks are described in more detail below.

Market risks

Over time, vessel values and hire rates may fluctuate substantially. Change in vessel values may result in an impairment of the book value of the Group's vessel or a loss upon a sale of the vessel. The vessel has been written down its residual value. Change in hire rates may heavily impact the profitability of the Group as the vessel is trading on short-term charters.

Credit risk

The credit risk is the risk that SinOceanic's customers or counterparties will cause SinOceanic financial loss by failing to honour their obligations. Reference is made to note 9 for more information on loss on receivables.



Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its liabilities as they fall due and as a result, cease trading. The capital structure of the Group is considered good and a strong balance sheet generally improves the access to credit.

Risk related to tax regulation

As of 31 December 2021, the Group had a combined tax loss carried forward of NOK 434.7 million which can be used to offset taxable income in future years. There is currently no time limitation on losses carried forward. Valuation of such loss carry forward is dependent on the tax regulation applicable to the Group in future periods and its ability to generate sufficient taxable income to utilize the loss carry forward.

Changes in taxation law or the interpretation of taxation law may impact the business, results of operations and financial condition of the Group.

Currency risk

The Group's business activities are mainly carried out in USD. The revenues are USD denominated. Vessel operating expenses are mainly in USD or EUR. As the Group is headquartered in Norway, most of the administrative expenses are NOK denominated. The Group is thus mainly exposed to the currency fluctuations between USD and EUR and USD and NOK. Fluctuations in USD/NOK exchange rate may materially adversely affect the Group's dividends which are payable in NOK. Similarly, the Group's tax payable will be calculated and paid in NOK.

With all other variables held constant, the Group's profit before tax is affected by an increase/decrease in USD / NOK as follows:

2021

(USD 000)	Amount per 31.12.2021	Change in USD / NOK	Effect on profit before tax
Foreign currency denominated cash and receivables	736	10 % (10%)	82 (67)
Foreign currency denominated liabilities	474	10 % (10%)	53 (43)

2020

(USD 000)	Amount per 31.12.2020	Change in USD / NOK	Effect on profit before tax
Foreign currency denominated cash and receivables	1 107	10 % (10%)	123 (101)
Foreign currency denominated liabilities	478	10 % (10%)	53 (43)

Capital Management

The primary objective of the Group's capital management is to maintain an optimal capital structure so as to maximise shareholder value.

(USD 000)	As per 31 December	
	2021	2020
Total equity	29 346	26 805
Total assets	30 615	28 596
Ratio	96 %	94 %



4. Operating revenue

(USD 000)	2021	2020
Charter hire and other vessel related revenues	7 497	2 715
Management services income	1 504	2 675
Total operating revenue	9 001	5 390

The Group's operating net lease revenue from the time charter contracts is shown in the table below:

2021

(USD 000)	Less than 1 year 2022	1-5 years 2023-2026	More than 5 years 2027 ->
MV Marianetta	4 353	-	-
Total net revenue	4 353	-	-

2020

(USD 000)	Less than 1 year 2021	1-5 years 2022-2025	More than 5 years 2026 ->
MV Marianetta	1 480	-	-
Total net revenue	1 480	-	-

5. Vessel and other operating expenses

The vessel's running costs, including crew expenses, were managed by the outsourcing partners of technical management Peter Döhle Schiffahrts-KG, located in Hamburg, Germany. The vessel's managers received an annual remuneration which is included in the vessel's running costs.

Vessel operating expenses

(USD 000)	2021	2020
Crew expenses	1 135	1 164
Technical operating expenses	961	948
Lub oil	311	128
Insurance	294	253
Ship management fee and expenses	200	200
Total	2 902	2 693

Administrative expenses

(USD 000)	2021	2020
Salaries and personell expenses	2 616	2 360
Remuneration to Board of Directors	35	32
External consultancy services	231	153
Office expenses	165	197
Travel expenses	13	62
Total	3 059	2 804

Remuneration to auditors

(USD 000)	2021	2020
Statutory audit	33	33
Total	33	33



6. Employee benefit expenses

(USD 000)	2021	2020
Salaries *)	2 094	1 912
Social security contribution	326	283
Pension costs	154	130
Other remuneration and benefits	42	35
Total	2 616	2 360
Average number of full time employees	8,5	8,5

*) Salaries include ordinary salary and bonus.

Bonus scheme

The employees were granted a bonus of in total USD 0 thousand in 2021 (USD 46 thousand in 2020).

Pensions

The company has a defined contribution plan.

Remuneration for the company's management

(USD 000)	2021	2020
Salaries and remuneration	1 223	1 110
Pension costs	67	59
Total	1 290	1 169

Key management includes CEO, CFO (deputy CEO), and technical director.



7. Income tax expense

The major component for income tax expense for the years ended 31 December are:

(USD 000)	2021	2020
Current income tax charge	-	-
Change in deferred tax	-	-
Income tax expense reported in the income statement	-	-

A reconciliation of current income tax charge for the years ended 31 December:

(USD 000)	2021	2020
Profit before tax	2 528	(783)
Permanent differences	-	2
Currency differences	2 880	(33)
Change in temporary differences	(321)	814
Change in taxable loss brought forward	(5 087)	-
Basis current income tax charge:	-	-
Current income tax charge:	-	-

Tax expenses are calculated as if all transactions were booked in NOK.

Tax payable in the balance sheet is as follows:

(USD 000)	2021	2020
Current income tax charge	-	-
Tax payable in the balance sheet	-	-

Deferred tax assets relate to the following:

(USD 000)	2021	2020
Temporary differences		
Fixed assets	(11 546)	(11 957)
Other temporary differences	(529)	(439)
Net temporary differences	(12 075)	(12 396)
Tax losses carried forward	(49 201)	(54 288)
Basis for deferred tax	(61 276)	(66 684)
22 % deferred tax (tax assets)	(13 481)	(14 670)
Deferred tax assets not recognised	13 481	14 670
Deferred tax (tax assets) in the balance sheet	-	-

Deferred tax assets are recognised only to the extent that the realisation of the related tax asset through future taxable profits is probable.

There is no time limitation on tax losses carried forward. Interest expenses that cannot be deducted during the fiscal year can be carried forward for 10 years. Any carry forward non-deducted interest expenses shall be deducted before the year's interest expenses.



8. Property, plant and equipment

2021

(USD 000)	Vessel	Docking	Total vessel	Other fixed assets	Artwork	Right-of-use assets	Total assets
Acquisition cost as of 01.01	49 838	1 166	51 004	153	15	796	51 969
Additions	257	-	257	-	-	221	478
Disposals	-	-	-	-	-	-	-
Acquisition cost as of 31.12	50 095	1 166	51 261	153	15	1 017	52 446
Accumulated depreciations and impairments as of 01.01	(41 589)	(1 166)	(42 754)	(138)	-	(269)	(43 162)
Depreciation charge for the year	-	-	-	(8)	-	(280)	(287)
Impairment charge for the year	-	-	-	-	-	-	-
Accumulated depreciation and impairment as of 31.12	(41 589)	(1 166)	(42 754)	(146)	-	(549)	(43 449)
Net book value as of 31.12	8 507	-	8 507	7	15	466	8 995
Depreciation plan	Linear 30 years	Linear 5 years		Linear 5 years	Indefinite		

2020

(USD 000)	Vessel	Docking	Total vessel	Other fixed assets	Artwork	Right-of-use assets	Total assets
Acquisition cost as of 01.01	49 838	1 166	51 004	144	15	-	51 163
Additions	-	-	-	9	-	796	805
Disposals	-	-	-	-	-	-	-
Acquisition cost as of 31.12	49 838	1 166	51 004	153	15	796	51 969
Accumulated depreciations and impairments as of 01.01	(41 589)	(1 165)	(42 754)	(126)	-	-	(42 881)
Depreciation charge for the year	-	-	-	(12)	-	(269)	(281)
Impairment charge for the year	-	-	-	-	-	-	-
Accumulated depreciation and impairment as of 31.12	(41 589)	(1 165)	(42 754)	(138)	-	(269)	(43 162)
Net book value as of 31.12	8 250	0	8 250	15	15	527	8 807
Depreciation plan	Linear 30 years	Linear 5 years		Linear 5 years	Indefinite		

Depreciation

A straight-line method of depreciation has been used for the vessel, based on 30 years expected useful life from the date of delivery from yard. The capitalised dry-docking costs is depreciated over the period until the next expected scheduled dry-docking date.

Right-of-use assets are leased office premises which are treated for accounting purposes as right of use assets, see note 12 for more information about the leases.

Impairment charge on vessel

The vessel was written down to its residual value in December 2019. In the current market, the vessel value is substantially higher than its book value but taken into account that the vessel is of a mature age and on short term contracts, which makes it vulnerable for market fluctuations, the impairment made is not reversed.

9. Trade and other receivables

(USD 000)	As per 31 December	
	2021	2020
Trade receivables	18	167
Prepaid expenses	305	311
Short term receivables, related parties	179	208
Other receivables	9	221
Total	510	908

An impairment loss on trade receivables of USD 0.2 million has been recorded in 2021 relating to the Charterparty with Vasi Shipping Pte (2020: 0.1 million).

Reference is made to note 16 for more information about receivables towards related parties.



10. Unrestricted and restricted cash

(USD 000)	As per 31 December	
	2021	2020
<i>Current restricted cash:</i>		
Employee tax deductions	122	123
Deposit office premises	139	144
Total current restricted cash	260	267
Cash at banks - unrestricted	19 656	17 367
Total unrestricted and restricted cash	19 916	17 633

Cash and cash equivalents are predominately denominated in USD.

11. Share capital and shareholder information

	2021	2020
Number of ordinary shares	1	1
Par value in NOK	1 000 000	1 000 000
Par value in NOK (000)	1 000	1 000
Par value in USD (000)	172	172

The company's registered share capital is NOK 1,000,000 divided into 1 share. The share capital is fully paid.

No dividend has been declared or paid in 2021

12. Interest-bearing loans and borrowings

Leases

The Group has lease contracts for office premises at 2 locations where business is operated.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

	Office premises	Total
As at 31 December 2020	527	527
Additions	221	221
Depreciation expense	(280)	(280)
As at 31 December 2021	466	466

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period



	As per 31 December	
	2021	2020
As at 1 January	541	-
Additions	210	791
Accretion of interest	17	14
Payments	(303)	(264)
As at 31 December	465	541
Current	295	212
Non-current	170	328

The following are the amounts recognised in profit or loss:

	2021	2020
Depreciation expense of right-of-use-assets	280	269
Interest expenses	17	15
Income tax expense	-	-
Total amount recognised in profit or loss	297	284

13. Provision for other liabilities and charges

(USD 000)	As per 31 December	
	2021	2020
Accrud payroll tax	120	122
Other accrued costs	466	411
Total	586	533

14. Financial instruments

There are no material differences between fair value and carrying value.

15. Guarantees, commitments and contingencies

Commitments

SinOceanic has an office premises lease contract with Haakon VII's gate nr. 1 ANS concerning the rental of premises at Haakon VII's gate nr. 1, Oslo. The lease period was originally for five years but have been extended and expires on 31 May 2023.

SinOceanic has an office premises lease contract with Ytrebygdsvegen 215 AS concerning the rental of premises at Ytrebygdsvegen 215, Bergen. The lease period was originally for three years. The contract has been extended for another three-year period, from 26 June 2021 to 30 June 2024. The contract can be terminated on 6 months' notice during the lease period.

16. Related parties

A party is related to an entity if the party directly or indirectly through one or more intermediaries' control, is controlled or is under common control with the entity (this includes parents and subsidiaries), has an interest in the entity that gives it significant influence over the entity or has joint control over the entity. Furthermore, a related party is an associate, a joint venture partner or a close family member. A related party transaction is a transfer of resources, services or obligations between related parties regardless of whether a price is charged.



2021

(USD 000)	Management services income	Long term receivables	Short term receivables	Short term liabilities
Sinoceanic Shipping Holdings Ltd (group)	655	-	-	3
Neptune Shipping Investment Limited (group)	855	1 061	55	11
Total	1 510	1 061	55	14

2020

(USD 000)	Management services income	Long term receivables	Short term receivables	Short term liabilities
Sinoceanic Shipping Holdings Ltd (group)	2 180	-	-	500
Neptune Shipping Investment Limited (group)	844	1 061	95	-
Total	3 024	1 061	95	500

Sinoceanic Shipping AS delivers management services to Sinoceanic Shipping Holdings Limited, Bermuda, and its subsidiaries. Sinoceanic Shipping Holdings Limited is a wholly owned subsidiary of the sole shareholder of Sinoceanic Shipping AS, Sinoceanic Group Limited.

Sinoceanic Shipping AS delivers management services to Neptune Shipping Investment Limited (previously known as BCAP Investments Holdings Limited), British Virgin Islands, and its subsidiaries. An impairment of USD 0.1 million was recognised in 2021.

17. Subsequent events

As a result of Russia's invasion of Ukraine in February 2022, macroeconomic conditions have become more difficult to assess and uncertainty has increased. The company does not have any activities in Ukraine or Russia and does not have any business relations with counterparties in or from Russia. The resulting operational and economic impact for the company at the time of publication of these financial statements is only indirect, such as increase in material prices, and the event is not considered to be material for the operations of the company.



SinOceanic Shipping AS
Parent company Financial Statements 2021



Parent company Income Statement - SinOceanic Shipping AS

(amounts in USD 000)	Note	2021	2020
Operating income and operating expenses			
Management fee income	2, 13	1 716	3 226
Total income		1 716	3 226
Personell expenses	4	(2 616)	(2 360)
Other expenses	5	(706)	(683)
Total expenses		3 322	3 044
EBITDA		(1 605)	182
Depreciation and amortisation	7	(8)	(12)
Operating profit		(1 613)	170
Financial income and expenses			
Interest income		0	87
Financial income	8	3 777	0
Net foreign exchange gain (loss)	3	(56)	(30)
Interest expenses	3	(59)	0
Financial expenses	8	(110)	(1 010)
Net financial items		3 552	(954)
Net profit for the year		1 940	(784)
Attributable to:			
Equity holders of the parent		1 940	(784)



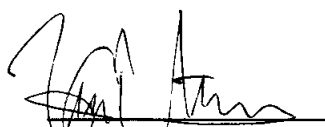
Parent company Statement of Financial Position

As at 31 December

(amounts in USD 000)	Note	2021	2020
Assets			
Non-current assets			
Furnitures and fixtures	7	22	30
Investments in subsidiaries	8	9 730	9 733
Long term receivables	14	<u>1 061</u>	<u>1 061</u>
Total non-current assets		10 813	10 824
Current assets			
Trade receivables and other receivables	9, 13	4 008	255
Current restricted cash	10	260	267
Cash and cash equivalents	10	<u>14 180</u>	<u>16 455</u>
Total current assets		18 448	16 977
Total assets		29 262	27 801
Equity and liabilities			
Equity			
Share capital	11, 12	172	172
Share premium and other paid in capital	12	225	225
Other equity	12	<u>28 360</u>	<u>26 421</u>
Total equity		28 758	26 818
Current liabilities			
Trade creditors and other payables	13	40	508
Provisions for other liabilities and charges	15	<u>464</u>	<u>475</u>
Total current liabilities		504	983
Total liabilities		504	983
Total equity and liabilities		29 262	27 801

Oslo, 5 May 2022

The board of Sinoceanic Shipping AS


Jan Håkon Pettersen
Chairman of the Board and CEO


Liu Liang
Board member



Parent company Statement of Cash Flow - SinOceanic Shipping AS

(amounts in USD 000)	Note	2021	2020
Operating activities			
Profit/loss before tax		1 940	(784)
Depreciation and amortisation	7	8	12
Financial items	8, 13	(3 552)	954
Working capital changes		(677)	4 386
Net cash flows from operating activities		(2 281)	4 568
Investing activities			
Furniture and fixtures	7	-	(9)
Dividend / repayment of capital received from subsidiaries	8	-	9 162
Net cash flows from investing activities		-	9 153
Financing activities			
Dividend paid	11	-	(12 900)
Net cash flows from financing activities		-	(12 900)
Net change in cash and cash equivalents		(2 281)	821
Restricted cash at January 1	10	267	1 660
Restricted cash at December 31	10	(260)	(267)
Cash and cash equivalents at January 1	10	16 455	14 242
Cash and cash equivalents at end of period	10	14 180	16 455



Notes to Financial Statements – SinOceanic Shipping AS

1. Accounting policies

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles in Norway (NGAAP). The accompanying notes are an integral part of the financial statements. The financial statements for the parent company is presented in USD, rounded to the nearest thousand which is the functional currency of the company.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Balance sheet classification

Current assets and current liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as noncurrent assets or non-current liabilities.

Investments in subsidiaries

Investment in subsidiaries are recognized at cost. The investment is valued as cost of shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contribution and other distributions are recognized in the same year as they are recognized in the subsidiary's financial statement. If dividends / group contribution exceeds withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recognized value of the acquisition in the balance sheet for the parent company.

Foreign currency translation

Transactions in foreign currency are translated using the exchange in effect on the date of transaction. Monetary assets and liabilities in foreign currency are translated into USD using the exchange rate in effect on the balance sheet date. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated using the exchange rate in effect on the date of transaction. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is measured at the fair value of the consideration received or receivable. Revenues earned by the Company are recognised on the following basis:

Rendering of services

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Assets

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is made on a straight-line basis over the useful lives of the asset and recognized in the income statement. Calculated depreciations take into account the expected remaining value if not insignificant. Expenses regarding major replacements and renewals are capitalized, while all other replacements, renewals, maintenance and repairs are recognized in the income statement.

Impairment of tangible non-current assets

Tangible and intangible non-current assets are assessed for impairment at each reporting period and always when events occur or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When impairment is considered, the assets are grouped at the lowest level for which there are separate identifiable cash generating units. Impairment is calculated as the difference between the assets carrying amount and the recoverable amount. The recoverable amount is the highest of the asset's fair value less cost to sell and the value in use for the company. In assessing value in use, the estimated future cash



flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When it is assumed that the asset's value is lower than its carrying amount, the asset is written down to the recoverable amount. The impairment amount is recognized in the income statement in those expense categories consistent with the type of the impaired asset.

Previously recognized impairment losses are only reversed if there have been changes in the estimates used to determine the recoverable amount. The reversed amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Trade and other receivables

Trade and other receivables are recognized initially at nominal values less provision for doubtful accounts. Provision for doubtful accounts are based on an individual assessment of the different receivables based on the maturity and information about the customer's financial position or other relevant information.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognized at cost. The interest expenses are expensed continuously.

Trade and other payables

Trade and other payables are recognized at cost.

Pensions

The Company has defined contribution plans as obliged by law ("Obligatorisk tjenestepensjon"). The defined contribution plan is a pension plan under which the Company pays fixed contributions to pension plans. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to publicly or privately administered pension plans. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or reduction in future payments is available.

Income tax

Tax expenses comprise both tax payable and changes in net deferred tax. The tax includes expected tax payable on the year's taxable income using existing tax rates on the balance sheet date and any corrections on previous tax payables. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply at the time the assets are realized or the liability is settled, on the basis of temporary differences existing between the values in the accounts and the tax-related values. The calculation also includes tax loss carry-forwards at the end of the financial year. Tax increasing and tax reducing temporary differences that reverse or can be reversed in the same period are netted in the balance sheet.

Deferred tax assets are recognized in the balance sheet when it is probable that the Company will have sufficient profit for tax purposes to utilize the tax asset.

Cash Flow Statement

The cash flow statement is prepared using the indirect method. Restricted bank deposits related to the operations are included in cash equivalents.

Uncertain liabilities and contingent assets

Accounting of events with an uncertain outcome is done by using best judgment, and it must be based on a probability consideration. When it is highly probable that the unsecured liability will be settled, and if its value can be reliably measured, the liability will be recognized. Contingent assets are not normally accounted for.

Subsequent events

New information regarding events existing at year end is accounted for in the estimates. Information regarding events after the end of the year is disclosed in the notes.



2. Operating revenue

The Company delivers management services to subsidiaries and related parties.

Geographical market segmenting of revenue (based on the location of the customer):

2021

(USD 000)	Norway	Bermuda	British Virgin Islands	Total
Management services	206	1 500	10	1 716

2020

(USD 000)	Norway	Bermuda	British Virgin Islands	Total
Management services	203	3 013	10	3 226

3. Financial risk management

General

The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework. The Board regulates its work through Board meetings and general interaction with the management.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

Capital Management

The primary objective of the Company's capital management is to maintain an optimal capital structure so as to maximise shareholder value.

The book equity to total assets ratio as year-end is considered to be at a solid level for the Company's business activities.

(USD 000)	2021	2020
Total equity	28 758	26 818
Total assets	29 262	27 801
Ratio	98 %	96 %

Currency risk

Revenues and expenses are mainly NOK and USD denominated. The management considers the currency risk to be limited. The company's available liquid assets are held in NOK and USD.

(amounts in 000)	2021	2020	Currency
Cash and cash equivalents held in NOK	6 420	12 360	NOK
Cash and cash equivalents NOK / USD	727	1 448	USD
Trade receivables and other receivables held in NOK	80	50	NOK
Trade receivables and other receivables NOK / USD	9	6	USD
Provisions for other liabilities and charges held in NOK	4 223	4 122	NOK
Provisions for other liabilities and charges NOK / USD	478	483	USD

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its liabilities as they fall due and as a result, cease trading. The Company's liquidity situation as of 31 December 2021 is at a satisfactory level.



Credit risk

The Company receives its revenues from a number of companies, all being subsidiaries and related parties. The risk is considered to be limited.

4. Personnel expenses

(USD 000)	2021	2020
Salaries *)	2 094	1 912
Social security contribution	326	283
Pension costs	154	130
Other remuneration and benefits	42	35
Total	2 616	2 360
Average number of full time employees	8,5	8,5

*) Salaries include ordinary salary and bonus.

Bonus scheme

The employees were granted a bonus of in total USD 0 thousand in 2021 (USD 46 thousand in 2020).

Pensions

The company has a defined contribution plan.

Remuneration for the company's management

(USD 000)	2021	2020
Salaries and remuneration	1 223	1 110
Pension costs	67	59
Total	1 290	1 169

Key management includes CEO, CFO (deputy CEO), and technical director.

5. Operating expenses

(USD 000)	2021	2020
Office expenses	461	356
External consultancy services	197	159
Remuneration to Board of Directors	35	32
Travel expenses	13	62
Other	-	75
Total	706	683

External consultancy services include audit, consulting, hired personnel and legal assistance.

Remuneration to the auditor

(USD 000)	2021	2020
Statutory audit	21	21
Total	21	21



6. Income taxes

The income tax expense consists of the following components:

(USD 000)	2021	2020
Tax payable (22% of the basis of tax)	-	-
Change in deferred tax	-	-
Income tax expense reported in the income statement	-	-

A reconciliation of current income tax charge for the years ended 31 December:

(USD 000)	2021	2020
Profit / (loss) before tax	1 940	(784)
Permanent differences	20	574
Received group contribution	(3 777)	-
Currency differences	6 051	(225)
Change in temporary differences	82	435
Change in taxable loss brought forward	(4 316)	-
Basis current income tax charge	-	-
Current income tax charge	-	-

Tax payable in the balance sheet are as followed:

(USD 000)	2021	2020
Tax payable (22% of the basis of tax)	-	-
Tax effect of group contribution	-	-
Tax payable in the balance sheet	-	-

Tax expenses are calculated as if all transactions were booked in NOK.

(USD 000)	2021	2020
Temporary differences		
Fixed assets	(28)	(37)
Receivables	(529)	(439)
Net temporary differences	(557)	(476)
Tax losses carried forward	(45 421)	(49 737)
Basis for deferred tax	(45 978)	(50 213)
Deferred tax assets	(10 115)	(11 047)
Deferred tax assets not recognised	10 115	11 047
Deferred tax (tax assets) in the balance sheet	-	-

Deferred tax assets are recognized only to the extent that it has become probable that the company will have sufficient future taxable profit to allow deferred tax assets to be recovered. Following no deferred tax assets have been recognized as per 31 December 2021. There is no time limitation on tax losses carried forward.



7. Property, plant and equipment

2021

(USD 000)	Artwork	Furnitures and fixtures	Total assets
Acquisition cost as per 1 January	15	153	168
Additions	-	-	-
Acquisition cost as per 31 December	15	153	168
Accumulated depreciation as per 1 January	-	(138)	(138)
Depreciation charge for the year	-	(8)	(8)
Accumulated depreciation as per 31 December	-	(145)	(145)
Net book value as per 31 December	15	7	22
Useful life	Indefinite	5 years	

2020

(USD 000)	Artwork	Furnitures and fixtures	Total assets
Acquisition cost as per 1 January	15	144	159
Additions	-	9	9
Acquisition cost as per 31 December	15	153	168
Accumulated depreciation as per 1 January	-	(126)	(126)
Depreciation charge for the year	-	(12)	(12)
Accumulated depreciation as per 31 December	-	(138)	(138)
Net book value as per 31 December	15	15	30
Useful life	Indefinite	5 years	

8. Investment in subsidiaries

2021:

(USD 000)	Registered office	Equity interest	Voting rights	Carrying amount	Net profit (loss) 2021	Equity as per 31.12.2021
North Invest Holding AS	Norway	100 %	100 %	0	(7)	13
Oceanus Shipping AS	Norway	100 %	100 %	9 730	3 521	10 306
Total				9 730	3 514	10 320

Other transactions:

- Write down of shares in North Invest Holding AS, amounting to in total USD 20 thousand following impairment test as per year end 2021.
- Received a group contribution (with tax effect) of USD 3.8 million from Oceanus Shipping AS
- Paid a group contribution (without tax effects) of USD 17 thousand to North Invest Holding AS

2020:

(USD 000)	Registered office	Equity interest	Voting rights	Carrying amount	Net profit (loss) 2020	Equity as per 31.12.2020
North Invest Holding AS	Norway	100 %	100 %	3	(7)	3
Oceanus Shipping AS	Norway	100 %	100 %	9 730	(563)	9 731
Total				9 733	(570)	9 735



9. Trade and other receivables

(USD 000)	As per 31 December	
	2021	2020
Prepaid expenses	44	41
Receivables toward subsidiaries and related parties	3 832	95
Other receivables	133	119
Total	4 008	255

Reference is made to note 13 for more information about receivables towards related parties.

10. Unrestricted and restricted cash

(USD 000)	As per 31 December	
	2021	2020
<i>Current restricted cash:</i>		
Employee tax deductions	122	123
Deposit office premises	139	144
Total current restricted cash	260	267
Cash at banks - unrestricted	14 180	16 455
Total unrestricted and restricted cash	14 440	16 722

Cash and cash equivalents are predominately denominated in USD.

11. Share capital and shareholder information

	No of shares	Par value in NOK	Total in TNOK	Total in TUSD
Share capital at year-end	1	1 000 000	1 000	172

	No of shares	Voting rights
Sinoceanic Group Limited	1	100 %

The company's registered share capital is NOK 1,000,000 divided into 1 share. The share capital is fully paid. No dividend has been declared or paid during the year.

12. Equity

2021	Share capital	Share premium	Other paid in equity	Retained earnings	Total equity
(USD 000)					
Equity at 1 January 2021	172	153	72	26 421	26 818
Profit for the year	-	-	-	1 940	1 940
Equity at 31 December 2021	172	153	72	28 360	28 758



2020

(USD 000)	Share capital	Share premium	Other paid in equity	Retained earnings	Total equity
Equity at 1 January 2020	172	153	72	40 105	40 502
Profit/ loss for the year	-	-	-	(784)	(784)
Dividend paid	-	-	-	(12 900)	(12 900)
Equity at 31 December 2020	172	153	72	26 421	26 818

13. Related parties

A party is related to an entity if the party directly or indirectly through one or more intermediaries' controls, is controlled or is under common control with the entity (this includes parents and subsidiaries), has an interest in the entity that gives it significant influence over the entity or has joint control over the entity. Furthermore, a related party is an associate, a joint venture partner or a close family member.

A related party transaction is a transfer of resources, services or obligations between related parties regardless of whether a price is charged.

2021

(USD 000)	Management fee income	Long term receivables	Short term receivables	Short term liabilities
Subsidiaries	206	-	3 777	13
Sinoceanic Shipping Holdings Ltd (group)	655	-	-	3
Neptune Shipping Investment Limited (group)	855	1 061	55	11
Total	1 716	1 061	3 832	27

2020

(USD 000)	Management fee income	Long term receivables	Short term receivables	Short term liabilities
Subsidiaries	203	-	-	-
Sinoceanic Shipping Holdings Ltd (group)	2 180	-	-	500
Neptune Shipping Investment Limited (group)	844	1 061	95	-
Total	3 226	1 061	95	500

The Company delivers management services and provides intercompany loans to subsidiaries.

The Company delivers management services to SinOceanic Shipping Holdings Limited, Bermuda, and its subsidiaries. SinOceanic Shipping Holding Ltd is indirect, wholly owned subsidiary of the sole shareholder in SinOceanic Shipping AS, SinOceanic Group Limited.

SinOceanic Shipping AS delivers management services to Neptune Shipping Investment Limited (previously known as BCAP Investments Holdings Limited), British Virgin Islands, and its subsidiaries. An impairment of USD 0.1 million was recognised in 2021.

14. Guarantees, commitments and contingencies

Commitments

SinOceanic has an office premises lease contract with Haakon VII's gate nr. 1 ANS concerning the rental of premises at Haakon VII's gate nr. 1, Oslo. The lease period was originally for five years but have been extended and expires on 31 May 2023.

SinOceanic has an office premises lease contract with Ytrebygdsvegen 215 AS concerning the rental of premises at Ytrebygdsvegen 215, Bergen. The lease period was originally for three years. The contract has been extended for another three-year period, from 26 June 2021 to 30 June 2024. The contract can be terminated on 6 months' notice during the lease period.



15. Provisions for other liabilities and charges

(USD 000)	As per 31 December	
	2021	2020
Public duties	206	210
Other short term provisions	257	265
Total provisions for other liabilities and charges	464	475

17. Subsequent events

As a result of Russia's invasion of Ukraine in February 2022, macroeconomic conditions have become more difficult to assess and uncertainty has increased. The company does not have any activities in Ukraine or Russia and does not have any business relations with counterparties in or from Russia. The resulting operational and economic impact for the company at the time of publication of these financial statements is only indirect, such as increase in material prices, and the event is not considered to be material for the operations of the company.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	14.11.2011	22.11.2011
Telefon	Deres referanse	Vår referanse
22078139	Kristin Hagland	2010/974473

ERNST & YOUNG AS
Postboks 20 Oslo Atrium
0051 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 22. november 2011 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

SinOceanic I AS, org. nr. 996 345 157
SinOceanic II AS, org. nr. 996 345 181
SinOceanic III AS, org. nr. 991 686 169
Oceanus Shipping AS, org. nr. 995 682 362

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

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

GTB Invest ASA, nå SinOceanic Shipping ASA, fikk i vedtak (2010/974473) av 5. oktober 2010 dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene det søkes dispensasjon for er heleide datterselskaper. Selskapene er shippingselskaper med hovedkontor i Oslo. Selskapene eier containerskip med fraktvirksomhet internasjonalt. Shippingbransjen er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. SinOceanic Shipping ASA er notert på Oslo Børs, men er innvilget dispensasjon etter vphl § 5-13 til å benytte engelsk språk for børsrapportering og -informasjon. Selskapets aksjonærer tilbys alt i dag kun informasjon på engelsk, og en betydelig andel av aksjene kontrolleres av utenlandske interessenter. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland 0134 Oslo	Se www.skatteetaten.no Org. nr: 996250318	800 80 000 Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



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, 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 selskapene er heleide datterselskap til et morselskap som er innvilget dispensasjon. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at en betydelig andel av aksjene i morselskapet kontrolleres av utenlandske interesser.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Sinoceanic Shipping AS

Opinion

We have audited the financial statements of Sinoceanic Shipping AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.



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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We communicate with the board of 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.

Oslo, 5 May 2022
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Kristin Hagland
State Authorised Public Accountant (Norway)