



**Mohan
Management
Consultants**
EA License No.19C9769

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April 19, 2023

Continental Shipping And Consulting Pte. Ltd

22 Cross Street #02-01
Cross Street Exchange
Singapore 048421

Attention: Board of Directors

Dear Sirs,

Continental Shipping And Consulting Pte. Ltd

Compiled Financial Statements for the Financial Year Ended December 31, 2022

We have enclosed the compiled financial statements for your review and approval. In the course of review, kindly note that we have not carried out any audit procedures of any form and thus we would not be able to detect any errors in the financial statements. The correctness of the financial statements is the sole responsibility of the directors of the company.

We do not express any opinion on the correctness or fairness of the financial statements.

Do contact us should you require any clarification.

Yours truly,

Mohan Management Consultants Pte. Ltd.

Mohit Dewani
Accounts reviewer

We approve the compiled financial statements which we have reviewed and the financial statements are in order.

Senthilvel Ramkumar
Director

Mehrish Gagan
Director

Kuttappan Manikandan
Director



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22 Cross Street #02-01
Cross Street Exchange
Singapore 048421

Attention: Board of Directors

Dear Sirs,

Continental Shipping And Consulting Pte. Ltd

Compiled Financial Statements for the Financial Year Ended December 31, 2022

Please advise of the following items, if any, for disclosure in the financial statements:-

- Contingent liabilities or capital commitments as at year end or as of to date.
- Subsequent events, such as litigation issues, issue of shares, etc., from year end till date of the financial statements.
- Related party transactions undertaken during the year.

Do contact us should you require any clarification.

Yours truly,
Mohan Management Consultants Pte. Ltd.

Mohit Dewani
Accounts reviewer

We noted your points and wish to finalize the accounts, as duly signed by us:-

Senthilvel Ramkumar
Director

Mehrish Gagan
Director

Kuttappan Manikandan
Director

March 1, 2023

Our Ref: 1113

To

The Board of Directors

Continental Shipping And Consulting Pte. Ltd

Singapore

Dear Sirs,

ENGAGEMENT LETTER FOR COMPILATION OF FINANCIAL STATEMENTS

You have requested that we compile the financial statements of **Continental Shipping And Consulting Pte. Ltd**, which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. We are pleased to confirm our acceptance and our understanding of this compilation engagement by means of this letter.

On the basis of information you provide, we will compile, in accordance with the Singapore Standard on Related Services applicable to compilation engagements ("SSRS 4410"), the financial statements prepared by management in accordance with the provision of the Singapore Financial Reporting Standards ("Singapore FRS").

The compilation of the financial statements will be based solely on the management financial statements and representation from the management/directors. The procedures that we will perform will not constitute an audit or a review made in accordance with the requirements of Section 207 of the Singapore Companies Act, Chapter 50, ("The Act") and with Singapore Standards on Auditing ("SSA") and consequently no assurance on the financial statements will be expressed.

Due to the absence of audit and review in accordance with Singapore Standards on Auditing ("SSA"), and also the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may not be detected in the financial statements. Accordingly, this engagement or the compiled financial statements should not be relied on to disclose fraud, defalcations or other irregularities or any significant deficiencies in internal control relevant to the compilation of the financial statements that we have identified during the compilation. However, if they exist, their disclosure may result from the compilation work we undertake.

Our compilation will be conducted on the basis that management/directors acknowledge and understand that they have responsibility:

- (a) For the preparation of financial statements that give a true and fair view in accordance with the provision of the Companies Act, and Chapter 50 (the Act) and Financial Reporting Standards in Singapore;

- (b) 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;
- (c) To provide us with:
- (i) Access to all information of which management/directors are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - (ii) Additional information that we may request from management/directors for the purpose of the compilation; and
 - (iii) Unrestricted access to persons within the entity from whom we determine it necessary to obtain further information.

As part of our compilation process, we will request from management/directors written confirmation concerning representations made to us in connection with the compilation.

We look forward to full cooperation from your staff during our compilation.

Any other services which we may provide from time to time at your request are distinct from our functions in this engagement.

Our fees, which may be billed as work progresses are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Individual hourly rates vary in accordance to the degree of responsibility involved and the experience and skill required.

Our fees are due and payable immediately upon rendering of services. It is our understanding that we shall not be obliged to perform any services if our outstanding fees are not settled.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our compilation of the financial statements including our respective responsibilities.

Yours faithfully



Mohit Dewani
Accounts reviewer

The above terms and conditions are understood by us and are acceptable to the Board of Directors.

For “**Continental Shipping And Consulting Pte. Ltd.**”



Senthilvel Ramkumar
Director



Kuttappan Manikandan
Director



Mehrish Gagan
Director

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

As per the Articles of Association of 'Continental Shipping And Consulting Pte. Ltd.' the following Directors' Resolutions were passed by circulation:

RESOLVED:

- (1) *That the accompanying financial statements as at December 31, 2022 and for the financial year on that date together with the directors' statement be and are hereby approved for submission at the forthcoming annual general meeting of the Company.*
- (2) *That the directors' statement dated April 19, 2023 for the said financial year be and is hereby approved and that any two directors be and are hereby authorised to sign the directors' statement for and on behalf of the board.*
- (3) *That the expenses of the directors incurred on the Company's affairs and the directors' remuneration if any provided for in the financial statements for the year ended on the above date be and are hereby approved.*
- (4) *That the annual general meeting of the Company be convened as soon as practicable and that the director be and is hereby authorised to issue notice in respect thereof.*



Senthilvel Ramkumar
Director



Kuttappan Manikandan
Director



Mehrish Gagan
Director

Dated: April 19, 2023

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Registered Office: 22 CROSS STREET, #02-01 CROSS STREET EXCHANGE, SINGAPORE 048421

April 19, 2023

To

Mohan Management Consultants Pte. Ltd.

60 Paya Lebar Road

#09-43 Paya Lebar Square,

Singapore 409051

Dear Sirs,

**REF: FINANCIAL STATEMENTS OF Continental Shipping And Consulting Pte. Ltd.
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022**

This representation letter is provided to you in connection with your compilation of the financial statements of the Company as of the above date and for the financial year then ended.

We, being responsible for the preparation of the financial statements by law, hereby confirm that, to the best of our knowledge and belief, the following statements relating to the financial statements are true and fair bearing in mind the requirements of the Singapore Companies Act, Chapter 50, and Financial Reporting Standards in Singapore.

1. General

(a) We have made available to you all -

- (i) *financial records and related data (the trial balance prepared and approved by the management is attached).*
- (ii) *minutes of meetings and resolutions of shareholders and directors to date, or summaries of actions of recent meetings/resolutions for which minutes/resolutions have not yet been prepared.*

(b) We have disclosed to you all and there are no -

- (i) *plans or intentions that may materially affect the carrying value or classification of assets and liabilities.*
- (ii) *significant matters relating to contingent liabilities, including outstanding litigation and claims against the Company which have been referred to solicitors.*

(c) We have disclosed to you all and there are no -

- (i) *known instances of non-compliance or suspected non-compliance or violations of any laws or regulations, including any non-compliance with Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) regulations, whose effects should be considered when preparing the financial statements, or for disclosure in the financial statements or as a basis for recording a loss contingency.*
- (ii) *other material liabilities and gain or loss contingencies as required to be accrued or disclosed.*

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Registered Office: 22 CROSS STREET, #02-01 CROSS STREET EXCHANGE, SINGAPORE 048421

1. *General* (cont'd)

- (d) *We acknowledge responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we confirm:*
 - (i) *the financial statements are not misstated as a result of fraud and error;*
 - (ii) *there are no serious offences involving fraud or suspected fraud or dishonesty affecting the entity or committed against the entity by or involving:*
 - (1) *management;*
 - (2) *employees who have significant roles in internal control; or*
 - (3) *others where the fraud could have a material effect on the financial statements;*
and
 - (iii) *there are no allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.*
- (e) *There are no communications from the Accounting and Corporate Regulatory Authority or other authorities concerning non-compliance with, or deficiencies in, financial reporting practices.*
- (f) *All transactions that had occurred during the financial year have been recorded in the accounting records and are reflected in the financial statements.*

2. *Accounting Policies*

- (a) *The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore as required by the Singapore Companies Act, Chapter 50. The financial statements are prepared under the historical cost convention except where fair value accounting is required, appropriate adjustments are made in accordance with the Standards.*
- (b) *The preparation of financial statements in accordance with the Financial Reporting Standards in Singapore requires the management to exercise judgement and use of estimates and assumptions. The estimates and assumptions used by the management are reasonable and where possible, are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.*
- (c) *The functional currency of the Company is US dollars (US\$). In determining the functional currency, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. Hence, the measurement and presentation currency of the Company is US dollars (US\$), wherein it reflects the economic substance of the underlying events and circumstances relevant to the Company*
- (d) *No circumstances have arisen which have rendered inappropriate the application of the 'going concern' concept and the continued use of the aforementioned policies, estimates and assumptions.*
- (e) *The financial statements have also been prepared using the same policies as those of the previous year. If changes have occurred in the accounting policies, the full details have been disclosed in the notes to the financial statements.*

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Registered Office: 22 CROSS STREET, #02-01 CROSS STREET EXCHANGE, SINGAPORE 048421

3. **Assets Generally**

- (a) *The Company has a satisfactory title to all assets included in the statement of financial position and no assets, which should have been included, have been omitted. There were no mortgages or other liens outstanding against the assets except as disclosed in the financial statements.*
- (b) *The directors have considered the statement of financial position values of non-current assets including investments and are satisfied that no further provisions are required either due to any impairment loss or for any other reason.*
- (c) *Investments in quoted/unquoted shares/bonds or other instruments are appropriately earned at cost or fair value or amortised cost in accordance with the Standards.*
- (d) *All amounts of expenditure, capitalized in respect of property, plant and equipment as detailed in financial statements represents expenditure incurred in acquiring additional assets or improving existing assets. No expenditure capitalized is of a revenue nature.*
- (e) *It is not the intention to sell any assets in the immediate future at a value which might give rise to a material unprovided loss.*
- (f) *There are no agreements to purchase assets previously sold and no option to purchase property or equipment of material amounts except as disclosed in the financial statements.*

4. **Current Assets**

- (a) *All current assets are expected to realise, in the ordinary course of business, not less than the amounts at which they are included in the statement of financial position. In particular adequate but not excessive, provisions have been made against doubtful debts and to reduce all inactive obsolete or unusable inventories to net realisable value.*
- (b) *The cash in hand are as reflected in the financial statements.*

5. **Liabilities**

- (a) *All material liabilities at the statement of financial position date have been included in the financial statements and adequate provision has been made for liabilities which are known to exist but the amount of which cannot be accurately determined.*
- (b) *There were no purchase or sale commitments in excess of normal level or at prices, which could give rise to a loss for which no provision has been made in the financial statements. In addition, no agreements have been entered into to repurchase items previously sold.*
- (c) *At the statement of financial position date and at the date of this letter: -*
 - (i) *Other than those disclosed in the financial statements, there were no other contingent liabilities, including outstanding litigation and claims against the Company.*
 - (ii) *None of the contingencies are expected to result in a material loss to the Company or in commitment, which it cannot meet.*

6. **Statement of Comprehensive Income**

For the current financial year, the Company has not earned revenue totaling above S\$10 million.

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Registered Office: 22 CROSS STREET, #02-01 CROSS STREET EXCHANGE, SINGAPORE 048421

6. **Statement of Comprehensive Income** (cont'd)

All revenues earned by the Company have been accounted for in the financial statements. Likewise, all expenditures have been taken into the financial statements and they are in the normal course of business of the Company.

Except as disclosed in the financial statements, the financial performance for the year was not materially affected by:

- (i) transactions of a sort not usually undertaken; and*
- (ii) circumstances of an exceptional or non-recurring nature.*

The following expenses included in the financial statements have been disbursed in connection with the business of the Company and do not include any personal expenses of directors and/or shareholders:-

- (i) transport and travelling expenses*
- (ii) entertainment*

7. **Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and related amounts receivable or payable, including sales, purchases, loan transfers, leasing arrangements, guarantees, and repayment terms, interest and security provided on outstanding balances, if any, are properly recorded and where required, adequately disclosed in the financial statements.

8. **Events Since The Statement of Financial Position Date**

Since the statement of financial position date, there have been no events which could materially affect the financial position of the Company as shown by the financial statements at that date, the financial performance for the year then ended, or any of the figures in the financial statements or notes thereto.

There have been no events that require disclosure in the financial statements, except for those disclosed in the financial statements.

9. **Fair Value Measurements And Disclosures**

The assumptions used in the valuation methods for determining the fair values of financial assets and liabilities are reasonable, and the fair value measurements and disclosures contained in the financial statements have been properly prepared from such assumptions and they properly reflect management's intent to carry out specific courses of action on behalf of the Company.

10. **Audit Exemption**

- (a) The directors are aware that dormant companies and small companies meeting at least two of the following three quantitative criteria for immediate past two financial years:*

- total revenue is equal or less than S\$10 million*
- total assets is equal or less than S\$10 million*
- number of employees is equal or below 50*

would be exempted from the audit requirement in accordance with Section 205B and Section 205C of the Singapore Companies Act, Chapter 50, respectively, with effect from financial period beginning on or after July 1, 2015. We confirm the Company meets the requirements and thus no audit of the financial statements of the Company is required.

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Registered Office: 22 CROSS STREET, #02-01 CROSS STREET EXCHANGE, SINGAPORE 048421

10. *Audit Exemption* (cont'd)

- (b) No members of the Company holding in aggregate more than 5% in nominal value of the Company's issued share capital had requested for an audit of the financial statements as of the date of the financial statements.

11. *Uncorrected Misstatements*

We believe the effects of those uncorrected financial statement misstatements aggregated by you during the compilation are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. These are unintentional errors.

12. *Other Matters*

The following have been adequately provided for and disclosed in the financial statements, where applicable:-

Capital stock/ share purchase options or agreements or capital stock/ shares reserved for options, warrants, conversions, or other requirements, if any.

All possible and unasserted claims that our lawyer has advised are probable of assertion, if any.

Approved capital expenditure and other commitments, if any.

Forward contracts and any other financial derivatives, if any.

Financial risk management policies on currency risks, interest rate risks, liquidity risks and credit risks and capital risk management policies.


On behalf of the board of directors,



Senthilvel Ramkumar
Director



Kuttappan Manikandan
Director



Mehrish Gagan
Director

CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.
(Company Registration No. 201734459H)

Management Financial Statements For The Year Ended December 31, 2022

Continental Shipping And Consulting Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Senthilvel Ramkumar
Kuttappan Manikandan
Mehrish Gagan

Secretary

Raja Muhammad Shah Bin Abdullah

Registered Office

22 Cross Street #02-01
Cross Street Exchange
Singapore 048421

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Continental Shipping And Consulting Pte. Ltd.

Directors' Statement

For the financial year ended December 31, 2022

The directors present this statement to the members together with the financial statements of the Company for the financial year ended December 31, 2022.

The financial statements are unaudited as provided for in the Singapore Companies Act, Chapter 50, Section 205C.

No members of the Company holding in aggregate more than 5% in nominal value of the Company's issued share capital had requested for an audit of these financial statements.

1 Directors

The directors in office at the date of this statement are: -

Senthilvel Ramkumar
Kuttappan Manikandan
Mehrish Gagan

2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

| Name of directors / company in which interests are held | <u>Direct interest</u> | | <u>Deemed interest</u> | |
|---|---|---------------------------------|--|---------------------------------|
| | At the beginning of financial year or date of appointment | At the end of financial year | At the beginning of financial year or date of appointment | At the end of financial year |
| | <u>01.01.2022</u> | <u>31.12.2022</u> | <u>01.01.2022</u> | <u>31.12.2022</u> |
| Ordinary shares of the Company | | | | |
| Senthilvel Ramkumar | 33,333 | 33,333 | - | - |
| Kuttappan Manikandan | 33,333 | 33,333 | - | - |
| Mehrish Gagan | 33,334 | 33,334 | - | - |

4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Continental Shipping And Consulting Pte. Ltd.

Directors' Statement

For the financial year ended December 31, 2022

5 Directors' opinion

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at December 31, 2022 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standards in Singapore; 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.

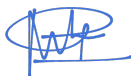
The board of directors



.....
Senthilvel Ramkumar



.....
Kuttappan Manikandan



.....
Mehrish Gagan

Date: April 19, 2023

Continental Shipping And Consulting Pte. Ltd.

Statement of Financial Position

As at December 31, 2022

| | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|-------------------------------------|-------------|-------------------------|-------------------------|
| | | US\$ | US\$ |
| Assets | | | |
| Non-current assets | | | |
| Plant and equipment | 4 | 887 | 294 |
| Investment in subsidiaries | 5 | 231,669 | - |
| Total non-current assets | | <u>232,556</u> | <u>294</u> |
| Current assets | | | |
| Trade receivables | 6 | 643,546 | 1,228,797 |
| Other receivables | 7 | 38,686 | 5,209 |
| Prepayments | 8 | 3,347 | 3,107 |
| Advance for services | 9 | 10,053 | 10,227 |
| Cash at banks | 10 | 1,654,661 | 1,578,689 |
| Total current assets | | <u>2,350,293</u> | <u>2,826,029</u> |
| Total assets | | <u>2,582,849</u> | <u>2,826,323</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 11 | 100,000 | 100,000 |
| Accumulated profits | | 1,697,711 | 1,563,621 |
| Total equity | | <u>1,797,711</u> | <u>1,663,621</u> |
| Current liabilities | | | |
| Trade Payables | 12 | 5,735 | 658,806 |
| Other payables and accruals | 13 | 468,398 | 249,958 |
| Income tax payable | 18 | 311,005 | 253,938 |
| Total current liabilities | | <u>785,138</u> | <u>1,162,702</u> |
| Total liabilities | | <u>785,138</u> | <u>1,162,702</u> |
| Total equity and liabilities | | <u>2,582,849</u> | <u>2,826,323</u> |

The annexed accounting policies and explanatory notes form an integral part of the financial statement.

Continental Shipping And Consulting Pte. Ltd.

Statement of Comprehensive Income

For the financial year ended December 31,2022

| | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|--|-------------|----------------|------------------|
| | | US\$ | US\$ |
| Revenue | 14 | 9,337,693 | 12,264,646 |
| Other income | 15 | 7,225 | 11,959 |
| Cost of services | | (8,290,989) | (10,034,900) |
| Depreciation of plant and equipment | | (667) | (293) |
| Salaries and employee benefits | 16 | (494,943) | (493,435) |
| Other operating expenses | | (157,162) | (184,190) |
| Profit before income tax | 17 | 401,157 | 1,563,787 |
| Income tax expense | 18 | (57,067) | (253,938) |
| Profit after income tax | | 344,090 | 1,309,849 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 344,090 | 1,309,849 |

The annexed accounting policies and explanatory notes form an integral part of the financial statement

Continental Shipping And Consulting Pte. Ltd.

Statement of Changes in Equity

For the financial year ended December 31,2022

| | Share capital | Accumulated profits | Total |
|--|------------------|------------------------|------------------|
| | US\$ | US\$ | US\$ |
| Balance as on 01.01.2021 | 100,000 | 463,772 | 563,772 |
| Total comprehensive income for the year | - | 1,309,849 | 1,309,849 |
| Dividend declared and paid during the year | - | (210,000) | (210,000) |
| Balance as at 31.12.2021 | 100,000 | 1,563,621 | 1,663,621 |
| Total comprehensive income for the year | - | 344,090 | 344,090 |
| Dividend declared and paid during the year | - | (210,000) | (210,000) |
| Balance as at 31.12.2022 | 100,000 | 1,697,711 | 1,797,711 |

The annexed accounting policies and explanatory notes form an integral part of the financial statement.

Continental Shipping And Consulting Pte. Ltd.

Statement of Cash Flows

For the financial year ended December 31, 2022

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| | US\$ | US\$ |
| Cash flows from operating activities | | |
| Profit before income tax | 401,157 | 1,563,787 |
| Adjustments for :- | | |
| Interest income | (137) | (71) |
| Depreciation of plant and equipment | 667 | 293 |
| Operating profit before working capital changes | 401,687 | 1,564,009 |
| Trade receivables | 585,251 | (664,493) |
| Other receivables | (33,477) | (313) |
| Prepayments | (240) | 70 |
| Advance for cost of services | 174 | 7,977 |
| Trade payables | (653,071) | 620,226 |
| Other payables and accruals | (58,830) | 60,285 |
| Contract liabilities | - | (858) |
| Cash generated from operations | 241,494 | 1,586,903 |
| Interest received | 137 | 71 |
| Income tax paid | - | (22,497) |
| Net cash generated from operating activities | 241,631 | 1,564,477 |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | (1,260) | - |
| Net cash used in investing activities | (1,260) | - |
| Cash flows from financing activities | | |
| Dividends paid | (210,000) | (210,000) |
| Other payables - related party and director | 45,601 | 68,596 |
| Net cash used in financing activities | (164,399) | (141,404) |
| Net increase in cash and cash equivalents | 75,972 | 1,423,073 |
| Cash and cash equivalents brought forward | 1,578,689 | 155,616 |
| Cash and cash equivalents carried forward | 1,654,661 | 1,578,689 |
| Cash and cash equivalents comprise:- | | |
| Cash at banks | 1,654,661 | 1,578,689 |
| | 1,654,661 | 1,578,689 |

The annexed accounting policies and explanatory notes form an integral part of the financial statement.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

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

The financial statements are unaudited as provided for in Section 205C of the Singapore Companies Act, Chapter 50.

1. Corporate information

The Company (Registration No. 201734459H) is a private limited company incorporated and domiciled in Singapore.

The registered office and principal place of business is at 22 Cross Street, #02-01 Cross Street Exchange, Singapore 048421.

The principal activities of the Company are to provide freight forwarding, packing and crating services.

There have been no significant changes in the nature of these activities during the financial year.

Subsidiary companies

Refer **Note 5** to the financial statements for details of the subsidiaries and their principal activities

2. Significant accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act, Chapter 50 except that the subsidiaries have not been consolidated in accordance with FRS 110 'Consolidated Financial Statements' as the management of the company is of the opinion that its consolidation does not provide any additional value or information to the shareholders or management of the Company as the subsidiaries have no business activities during the year. The financial statements are expressed in United States Dollar (US\$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 3** to the financial statements).

2.2. Adoption of new and amended standards and interpretation

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company. The following standards and interpretations are effective for the annual period beginning on or after 1 January 2022:

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (cont'd)

2.2. Adoption of new and amended standards and interpretation (cont'd)

Amendments to References to the Conceptual Framework in FRS Standards

FRS 1 First time adoption of Singapore Financial Reporting Standards (International), Subsidiary as a first time adopter

FRS 9 Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

FRS 16 Leases, Illustrative examples – lease incentives

FRS 16 Property, Plant and Equipment, Proceeds before intended use

FRS 37 Provisions, Contingent liabilities, Contingent Assets, Onerous Contracts – Cost of fulfilling a Contract

FRS 41 Agriculture, Taxation in Fair Value Measurements

FRS 103 Business Combinations: Reference to the Conceptual Framework

2.3. Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued but not effective:

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to FRS 12 Deferred tax related to Assets and Liabilities arising from a single transaction | 1 January 2023 |
| FRS 17 - Insurance Contracts | 1 January 2023 |
| Amendments to FRS 1 Presentation of Financial Statements and Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to FRS 8 Definition of Accounting Estimate | 1 January 2023 |
| Amendments to FRS 110 Consolidated Financial statements and FRS 28 Investments in Associates or Joint ventures: Sale or Contribution of assets between an Investor and its Associate or Joint venture | Date to be determined |

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

2.4. Foreign currency transactions and balances

(i) Functional currency

The functional currency of the Company is United States dollar (US\$). The measurement and presentation currency are United States dollars (US\$). As the income and expenses are usually transacted in United States dollars (US\$), the directors are of the opinion that presenting the results and financial position of the Company in United States dollars (US\$) reflects the economic substance of the underlying events and circumstances relevant to the company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (*cont'd*)

2.4. Foreign currency transactions and balances (*cont'd*)

(ii) Transactions and balances (*cont'd*)

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

2.5. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment in value, if any. The cost of plant and equipment comprises its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When plant and equipment are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss. Proceeds from selling items before the related item of plant and equipment is available for its intended use should be recognised in profit or loss, together with the cost of producing those items.

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over its estimated useful life at the following annual rate.

| | | |
|---------------------------|---|--------|
| Computers and peripherals | - | 33.33% |
|---------------------------|---|--------|

Fully depreciated plant and equipment still in use are retained in the financial statements.

2.6. Investment in subsidiaries

Subsidiaries are investees that are controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in the subsidiaries are carried at cost less accumulated impairment losses, if any. On disposal of investments in subsidiaries, the differences between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

2.7. Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (cont'd)

2.7. Impairment of non-financial assets (cont'd)

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8. Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss (FVPL).

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses ("FVOCI")
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2. Significant accounting policies (cont'd)

2.8. Financial instruments(cont'd)

a) Financial assets (cont'd)

Subsequent measurement (cont'd)

The Company's relevant financial assets category are financial assets at amortised cost

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade and other receivables and cash and bank balances.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2. Significant accounting policies (cont'd)

2.8. Financial instruments(cont'd)

a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include trade payables on normal trade terms, other payables and accruals.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires 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 an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (cont'd)

2.10. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date 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. Where 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 liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11. Government Grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When 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.

The government has assisted with the below grants during the year :

- (i) Jobs Growth Incentive
- (ii) Wage credit scheme

2.12. Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

2.13. Leases

The company 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.

2. Significant accounting policies (cont'd)

2.13. Leases (cont'd)

a) As lessee

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

Right-of-use assets

The company recognizes right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the costs reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in **Note 2.7**.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (cont'd)

2.13. Leases (cont'd)

b) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. 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.

2.14. Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue for the Company comprises income from freight forwarding and other service income. Revenue is recognised when services are provided to the customer and all criteria for acceptance have been satisfied. There is no variable consideration involved in the Company's business activity.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price less any discounts given

2.15. Taxes

(a) Current income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the 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 calculated using statutory tax rate at the statement of financial position date.

(b) Deferred income tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition 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 each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the 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, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

2. Significant accounting policies (cont'd)

2.15. Taxes (cont'd)

(b) Deferred income tax (cont'd)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

2.16. Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17. Related parties

The related parties are defined as follows:

- a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company.
- b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of the third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity); and
 - (viii) The entity, or any member of a group of which it is part, provides key management personnel services to the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

3. Significant accounting judgements and estimates (cont'd)

(a) Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

(b) Provision for expected credit losses (ECLs) of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The level of estimation and judgement used in the ECL calculation has increased as a result of the COVID-19 outbreak. The Company has considered the impact of COVID-19 on its customers and grouped them based on shared credit risk characteristics.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. Plant and equipment

| <u>2022</u> | Computers and peripherals | Total |
|-----------------------|---------------------------------|-------|
| | US\$ | US\$ |
| Cost | | |
| At January 1, 2022 | 3,784 | 3,784 |
| Additions | 1,260 | 1,260 |
| At December 31, 2022 | 5,044 | 5,044 |
| Depreciation | | |
| At January 1, 2022 | 3,490 | 3,490 |
| Charge for the year | 667 | 667 |
| At December 31, 2022 | 4,157 | 4,157 |
| Net book value | | |
| At December 31, 2022 | 887 | 887 |

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

4. Plant and equipment (cont'd)

| <u>2021</u> | Computers and peripherals | Total |
|-----------------------------|---------------------------------|------------|
| | US\$ | US\$ |
| Cost | | |
| At January 1, 2021 | 3,784 | 3,784 |
| At December 31, 2021 | 3,784 | 3,784 |
| Depreciation | | |
| At January 1, 2021 | 3,197 | 3,197 |
| Charge for the year | 293 | 293 |
| At December 31, 2021 | 3,490 | 3,490 |
| Net book value | | |
| At December 31, 2021 | 294 | 294 |

5. Investment in subsidiaries

| | <i>Company</i> | |
|---|----------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| | US\$ | US\$ |
| Unquoted equity shares, at cost | 231,669 | - |
| The Company's investment in subsidiaries that are not denominated in United States Dollars are as follow: - | | |
| | <u>2022</u> | <u>2021</u> |
| | US\$ | US\$ |
| United Arab Emirates Dirham | 81,669 | - |

Details of the subsidiary company: -

| <u>Name of company</u> | <u>Country of incorporation & place of business</u> | <u>Principal activity</u> | <u>Percentage of ordinary equity held</u> | | <u>Cost</u> | |
|---|---|--|---|-------------|---------------|-------------|
| | | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | | % | % | US\$ | US\$ |
| Continental Worldwide Shipping Service LLC | Dubai | Shipping Containers loading and unloading services, Sea shipping line agents. | 100 | - | 81,669 | - |

The subsidiary was incorporated on 12th December 2022 and there is no business activity during the current financial year since its incorporation. Hence the subsidiary is not considered for consolidation purposes as the management is of the opinion that its consolidation does not provide any additional value or information to the shareholders or management of the Company.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

5. Investment in subsidiaries (cont'd)

| <u>Name of company</u> | <u>Country of incorporation & place of business</u> | <u>Principal activity</u> | <u>Percentage of ordinary equity held</u> | | <u>Cost</u> | |
|---|---|---|---|-------------|-------------|-------------|
| | | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | | % | % | US\$ | US\$ |
| Continental Shipping and Consulting Vietnam Company Limited | Vietnam | Shipping Containers loading and unloading services, Sea shipping line agents. | 100 | - | 150,000 | - |

The subsidiary was incorporated on 11th October 2022 and there is no business activity during the current financial year since its incorporation. Hence the subsidiary is not considered for consolidation purposes as the management is of the opinion that its consolidation does not provide any additional value or information to the shareholders or management of the Company.

6. Trade receivables

| | | |
|-------------------|----------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| | US\$ | US\$ |
| Trade receivables | 643,546 | 1,228,797 |
| | 643,546 | 1,228,797 |

The credit term for services provided is 30 days (2021: 30 days). The trade receivables are non-interest bearing.

The table below is an analysis of trade receivables aging as at year ended December 31:

| | | |
|----------------------------|----------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| | US\$ | US\$ |
| Not past due | 395,716 | 1,073,740 |
| Past due 30 to 90 days | 158,049 | 64,714 |
| Past due more than 90 days | 89,781 | 90,343 |
| | 643,546 | 1,228,797 |

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

7. Other receivables

| | | |
|------------------------------|---------------|--------------|
| | <u>2022</u> | <u>2021</u> |
| | US\$ | US\$ |
| Deposits | 5,209 | 5,209 |
| Receivable from subsidiaries | 33,477 | - |
| | 38,686 | 5,209 |

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

7. Other receivables (cont'd)

The amount receivable from subsidiaries is unsecured, interest free and receivable on demand.

The Company's other receivables that are not denominated in United States Dollars are as follow: -

| | <u>2022</u> | <u>2021</u> |
|-------------------|--------------|--------------|
| | US\$ | US\$ |
| Singapore Dollars | <u>5,209</u> | <u>5,209</u> |

Other receivable is deposit towards commitment of utilization of office space, which is refundable at the end of commitment term. Refer **Note 20**.

8. Prepayments

| | <u>2022</u> | <u>2021</u> |
|-------------|---------------------|---------------------|
| | US\$ | US\$ |
| Prepayments | <u>3,347</u> | <u>3,107</u> |
| | <u>3,347</u> | <u>3,107</u> |

The Company's prepayments that are not denominated in United States Dollars are as follow: -

| | <u>2022</u> | <u>2021</u> |
|-------------------|--------------|--------------|
| | US\$ | US\$ |
| Singapore Dollars | <u>3,347</u> | <u>3,107</u> |

9. Advance for services

| | <u>2022</u> | <u>2021</u> |
|------------------------------|----------------------|----------------------|
| | US\$ | US\$ |
| Advance for cost of services | <u>10,053</u> | <u>10,227</u> |
| | <u>10,053</u> | <u>10,227</u> |

10. Cash at banks

| | <u>2022</u> | <u>2021</u> |
|---------------|-------------------------|-------------------------|
| | US\$ | US\$ |
| Cash at banks | <u>1,654,661</u> | <u>1,578,689</u> |
| | <u>1,654,661</u> | <u>1,578,689</u> |

The Company's bank balance that is not denominated in United States dollars is as follows: -

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

10. Cash at banks (cont'd)

| | <u>2022</u> | <u>2021</u> |
|-------------------|---------------|--------------|
| | US\$ | US\$ |
| Singapore Dollars | 20,485 | 6,743 |
| | 20,485 | 6,743 |

11. Share capital

| | <u>2022</u> No. of shares issued | <u>2022</u> US\$ | <u>2021</u> No. of shares issued | <u>2021</u> US\$ |
|--|--|---------------------|--|---------------------|
| Ordinary shares issued and fully paid | | | | |
| Balance at beginning and end of year | 100,000 | 100,000 | 100,000 | 100,000 |

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

12. Trade payables

| | <u>2022</u> | <u>2021</u> |
|----------------|--------------|----------------|
| | US\$ | US\$ |
| Trade payables | 5,735 | 658,806 |
| | 5,735 | 658,806 |

The credit period for services received is immediate (2021: immediate).

13. Other payables and accruals

| | <u>2022</u> | <u>2021</u> |
|-------------------------|----------------|----------------|
| | US\$ | US\$ |
| Loan received | 7,639 | 7,639 |
| Amount due to Directors | 175,030 | 139,461 |
| Withholding tax payable | 49,085 | 39,053 |
| Accrued expenses | 4,975 | 63,805 |
| Payable-Subsidiaries | 231,669 | - |
| | 468,398 | 249,958 |

The amount due to director and subsidiaries are unsecured, interest free and repayable on demand.

The Company's other payables and accruals that are not denominated in United States dollars are as follows: -

| | <u>2022</u> | <u>2021</u> |
|-------------------|-------------|-------------|
| | US\$ | US\$ |
| UAE Dirham | 81,669 | - |
| Singapore Dollars | 233,594 | 186,715 |

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

14. Revenue

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|------------------|-------------------|
| | US\$ | US\$ |
| Type of service: | | |
| Income from freight forwarding | 9,201,088 | 11,525,793 |
| Other service income | 136,605 | 738,853 |
| | 9,337,693 | 12,264,646 |
| Timing of revenue recognition: | | |
| At a point in time | 9,337,693 | 12,264,646 |
| | 9,337,693 | 12,264,646 |

There is no variable consideration recognised during the financial year.

15. Other income

| | <u>2022</u> | <u>2021</u> |
|---|--------------|---------------|
| | US\$ | US\$ |
| Interest income | 137 | 71 |
| Foreign exchange gain | 91 | - |
| Government grant- Jobs Growth Incentive | 6,361 | 10,668 |
| - Jobs Support scheme | - | 1,220 |
| - Wage credit scheme | 636 | - |
| | 7,225 | 11,959 |

16. Salaries and employee benefits

Salaries and employee benefits for the financial year ended December 31;

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|----------------|----------------|
| | US\$ | US\$ |
| Salaries and bonus | 25,969 | 24,167 |
| CPF contribution | 4,333 | 4,161 |
| Non-Resident Directors' fees | 223,115 | 177,514 |
| Local Director | | |
| - remuneration | 166,719 | 134,028 |
| - bonus | - | 100,000 |
| Other benefits to Local director | | |
| - medical insurance | 5,039 | 4,179 |
| - medical expenses | 3,745 | 5,336 |
| - other benefits | 66,023 | 44,050 |
| | 494,943 | 493,435 |

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

16. Salaries and employee benefits (cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year is as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|-----------------------|-----------------------|
| | US\$ | US\$ |
| Salaries and employee benefits | 241,526 | 287,593 |
| Non-Resident Directors' fees | 223,115 | 177,514 |
| | <u>464,641</u> | <u>465,107</u> |

The key management personnel comprise a director who does not receive any short-term employee benefits during the financial year.

17. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges /(credits):-

| | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|
| | US\$ | US\$ |
| Conveyance | 10,445 | 10,341 |
| Documentation, handling, and haulage charges | 872,084 | 2,279,088 |
| Freight forwarding charges | 7,407,650 | 7,702,846 |
| Foreign exchange (gain)/ loss | (91) | 2,961 |
| Late fees and Penalty | 2,325 | - |
| Marketing fees | | |
| -Current year | 60,787 | 60,000 |
| -Prior year not provided | - | 42,237 |
| Office rental expenses | 27,010 | 20,967 |
| Professional fees | 6,940 | 6,778 |
| Travelling and accommodation | 13,709 | 3,197 |

18. Income tax expense

| | <u>2022</u> | <u>2021</u> |
|--------------|----------------------|-----------------------|
| | US\$ | US\$ |
| Current year | 57,067 | 253,938 |
| | <u>57,067</u> | <u>253,938</u> |

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to the profit before income tax as a result of the following differences:

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

18. Income tax expense (cont'd)

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------|-------------------------|
| | US\$ | US\$ |
| Profit before income tax | <u>401,157</u> | <u>1,563,787</u> |
| Tax expense at tax rate of 17% | 68,197 | 265,843 |
| Non -Taxable income | - | (207) |
| Non-deductible items | 1,605 | 1,219 |
| Deferred tax arising during the year not provided | (101) | 50 |
| Statutory stepped income exemption | <u>(12,634)</u> | <u>(12,967)</u> |
| Income tax expense for the financial year | <u>57,067</u> | <u>253,938</u> |

The following deferred tax liability is not recognised in the financial statements as at end of financial year there are no significant temporary differences.

| | <u>2022</u> | <u>2021</u> |
|----------------------------|--------------|-------------|
| | US\$ | US\$ |
| Difference in depreciation | <u>(151)</u> | <u>(50)</u> |

19. Related parties' transactions

Some of the Company's transactions and arrangement are with the related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

During the year, the Company entered into the following transactions with the related party:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|----------------|-------------|
| | US\$ | US\$ |
| Local director's remuneration | 166,719 | 134,028 |
| Non-Resident Directors' fees | 223,115 | 177,514 |
| Other benefits to Local director | 74,807 | 53,565 |
| Receivable-Subsidiaries | 33,477 | - |
| Payable- Subsidiaries | <u>231,669</u> | <u>-</u> |

20. Commitments

The Company has entered into a commitment term of 24 months for utilization of office space from 1st September 2022.

The future minimum fees payable for at the reporting date but not recognised as liabilities is as follows:

| | <u>2022</u> | <u>2021</u> |
|------------------------|----------------------|----------------------|
| | US\$ | US\$ |
| Rental expense: | | |
| Within 1 year | 26,803 | 21,969 |
| Within 2 to 5 years | <u>17,869</u> | <u>-</u> |
| | <u>44,672</u> | <u>21,969</u> |

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

21. Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

| | <u>2022</u> | <u>2021</u> |
|------------------------------------|------------------|------------------|
| | US\$ | US\$ |
| Financial assets | | |
| At amortised cost : | | |
| - Trade receivables | 643,546 | 1,228,797 |
| - Other receivables | 38,686 | 5,209 |
| - Cash and bank balances | 1,654,661 | 1,578,689 |
| Total financial assets | 2,336,893 | 2,812,695 |
| Financial liabilities | | |
| At amortised cost : | | |
| - Trade payables | 5,735 | 658,806 |
| - Other payables and accruals | 417,649 | 249,958 |
| Total financial liabilities | 423,384 | 908,764 |

(b) Fair value measurements

Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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) (level 2); and
- (i) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There are no financial assets measured at fair value.

Assets and liabilities not measured at fair value

(i) Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

(ii) Other receivables, cash and bank balances and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

(c) Financial risk management

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

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

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

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

21. Financial instruments, financial and capital risk management (cont'd)

(c) Financial risk management(cont'd)

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk. It maintains a level of cash at bank and cash in hand that is sufficient for working capital purposes.

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

| | Cash flows | | | |
|--|------------------|-----------------------|------------------|---------------------|
| | Carrying amount | Contractual cash flow | Less than 1 year | Within 2 to 5 years |
| | US\$ | US\$ | US\$ | US\$ |
| <u>2022</u> | | | | |
| Financial assets | | | | |
| Trade receivables | 643,546 | 643,546 | 643,546 | - |
| Other receivables | 38,686 | 38,686 | 38,686 | - |
| Cash at banks | 1,654,661 | 1,654,661 | 1,654,661 | - |
| Total undiscounted financial assets | 2,336,893 | 2,336,893 | 2,336,893 | - |
| Financial liabilities | | | | |
| Trade payables | (5,735) | (5,735) | (5,735) | - |
| Other payables and accruals | (417,649) | (417,649) | (417,649) | - |
| Total undiscounted financial liabilities | (423,384) | (423,384) | (423,384) | - |
| Total net undiscounted financial assets | 1,913,509 | 1,913,509 | 1,913,509 | - |
| <u>2021</u> | | | | |
| Financial assets | | | | |
| Trade receivables | 1,228,797 | 1,228,797 | 1,228,797 | - |
| Other receivables | 5,209 | 5,209 | 5,209 | - |
| Cash at banks | 1,578,689 | 1,578,689 | 1,578,689 | - |
| Total undiscounted financial assets | 2,812,695 | 2,812,695 | 2,812,695 | - |
| Financial liabilities | | | | |
| Trade payables | (658,806) | (658,806) | (658,806) | - |
| Other payables and accruals | (249,958) | (249,958) | (249,958) | - |
| Total undiscounted financial liabilities | (908,764) | (908,764) | (908,764) | - |
| Total net undiscounted financial assets | 1,903,931 | 1,903,931 | 1,903,931 | - |

21. Financial instruments, financial and capital risk management (cont'd)

(c) Financial risk management(cont'd)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on financial asset be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days past the credit due dates, default of interest due for more than 30 days or there is significant financial difficulty of the counterparty.

Cash at banks are placed with a credit worthy financial institution.

Trade and other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any external receivables except for eight (2021: three) customers who account for 69% (2021: 67%) of total trade receivables. Further details of credit risks on trade receivables are disclosed in **Note 6** to the financial statements.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant exposure to market risk for changes in interest rates. As of end of the financial year, the Company has no interest-bearing borrowings from any external sources.

Foreign currency risk

The Company is not exposed to significant foreign currency risk as its income and expenses are mainly transacted in United States dollars. The Company's monetary assets and liabilities are also mainly denominated in United States dollars. However, it does have minimal transactions in Singapore dollars and United Arab Emirates Dirham.

Foreign currency received are kept in a foreign currency account and converted to United States Dollars on a need to basis so as to minimize the foreign currency exposure.

As at financial year end, the carrying value of monetary assets and liabilities denominated in currencies other than in United States dollars are disclosed in the respective notes to the financial statements. Any fluctuations in the Singapore dollars (S\$) against the United States dollars (US\$) are not expected to have any significant effect on the results of the Company as these balances are not significant.

Continental Shipping And Consulting Pte. Ltd.

Notes to the Financial Statements

For the financial year ended December 31, 2022

21. Financial instruments, financial and capital risk management (cont'd)

(c) Financial risk management(cont'd)

Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

Any increase or decrease in the following foreign currencies rate will have an impact on the financial statements of the Company.

Increase in the rate of the foreign currencies by 10% will increase/(decrease) the profit before tax by approximately the following amounts:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|----------------|-------------|
| | US\$ | US\$ |
| Singapore dollars | (20,455) | (17,166) |
| United Arab Emirates Dirham | <u>(8,167)</u> | <u>-</u> |

A corresponding decrease in the rate of foreign currencies will have a vice-versa effect on results of the Company.

Fluctuations in other foreign currencies will have no significant effect on the results of the Company.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year.

Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while optimization the return to shareholders through optimization of the capital.

The management's overall strategy remains unchanged from 2021.

22. Development of COVID-19 outbreak and its corresponding impact on the Company

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. Two and a half years after COVID-19 was declared as a global pandemic, the economic impact is finally tapering down. In Singapore, the easing of safe management measures and border restrictions from March 2022 also fuelled post-pandemic recovery. However, there is some geopolitical uncertainty from the Russia-Ukraine war. The Company continues to monitor and evaluate any possible impact on the Company's business and will consider implementation of various measures to mitigate possible effects, if any, of the Geopolitical situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Company in preparing the financial statement is inappropriate.

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on April 19, 2023.

Continental Shipping And Consulting Pte. Ltd.

The Accompanying Supplementary Detailed Income Statement

Has Been Prepared For Management Purposes Only

Continental Shipping And Consulting Pte. Ltd.

Detailed Income Statement

For the financial year ended December 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|---------------------|
| | US\$ | US\$ |
| Revenue | | |
| Income from freight forwarding | 9,201,088 | 11,525,793 |
| Other service income | 136,605 | 738,853 |
| | <u>9,337,693</u> | <u>12,264,646</u> |
| Other income | | |
| Interest income | 137 | 71 |
| Foreign exchange gain | 91 | - |
| Government grant- Jobs Growth Incentive | 6,361 | 10,668 |
| - Jobs Support Scheme | - | 1,220 |
| -Wage credit scheme | 636 | - |
| | <u>7,225</u> | <u>11,959</u> |
| Cost of services | | |
| Freight forwarding charges | (7,407,650) | (7,702,846) |
| Documentation, handling and haulage charges | (872,084) | (2,279,088) |
| Other services charges | - | (43,128) |
| Insurance | (11,255) | (9,838) |
| | <u>(8,290,989)</u> | <u>(10,034,900)</u> |
| Depreciation of plant and equipment | <u>(667)</u> | <u>(293)</u> |
| Salaries and employee benefits | | |
| Salaries and bonus | (25,969) | (24,167) |
| CPF(Staff) | (4,333) | (4,161) |
| Non Resident Director's fees | (223,115) | (177,514) |
| Local Director's remuneration | (166,719) | (134,028) |
| Local Director's bonus | - | (100,000) |
| Local Director's medical insurance | (5,039) | (4,179) |
| Local Director's medical expenses | (3,745) | (5,336) |
| Local Director's benefit | (66,023) | (44,050) |
| | <u>(494,943)</u> | <u>(493,435)</u> |
| Other operating expenses | | |
| Bank charges | (18,933) | (12,054) |
| Sales and Marketing fees -Current year | (60,787) | (60,000) |
| -Prior year not provided | - | (42,237) |
| Conveyance | (10,445) | (10,341) |
| Entertainment expenses | (979) | - |
| Foreign exchange loss | - | (2,961) |
| Filing fees | (44) | (44) |
| Late fees and Penalty | (2,325) | - |
| Office expenses- Current year | (12,747) | (17,423) |
| - Prior year over provided | - | 315 |
| Office Rent | (27,010) | (20,967) |

Cont'd...

Continental Shipping And Consulting Pte. Ltd.

Detailed Income Statement

For the financial year ended December 31, 2022

Cont'd...

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|-------------------------|
| | US\$ | US\$ |
| Postage & courier | (752) | - |
| Printing and stationary | (247) | (4,572) |
| Professional fees | (6,940) | (6,778) |
| Repairs and maintenance | - | (587) |
| Stamp duty | - | (76) |
| Telephone | (2,244) | (3,268) |
| Travelling and accommodation | (13,709) | (3,197) |
| | <u>(157,162)</u> | <u>(184,190)</u> |
| Profit before income tax | 401,157 | 1,563,787 |
| Income tax expense | (57,067) | (253,938) |
| | <u>344,090</u> | <u>1,309,849</u> |
| Profit after income tax | | |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u><u>344,090</u></u> | <u><u>1,309,849</u></u> |