CONTINENTAL SHIPPING AND CONSULTING PTE. LTD.

(Company Registration No. 201734459H)

Management Financial Statements For The Year Ended December 31, 2023

Directors

Senthilvel Ramkumar
Kuttappan Manikandan
Mehrish Gagan

Secretary

Rajalakshmi Narayana Mohan	(appointed w.e.f. 15.08.2023)
Raja Muhammad Shah Bin Abdullah	(resigned w.e.f. 15.08.2023)

Registered Office

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

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The directors present this statement to the members together with the financial statements of the Group and of the Company for the financial year ended December 31, 2023.

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	Direct interest		Deemed interest	
	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
	01.01.2023	31.12.2023	01.01.2023	31.12.2023
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.

5 Directors' opinion

In the opinion of the directors,

(a) the financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at December 31, 2023 and the financial performance, changes in equity of the Group and the Company and cash flows of the Group 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: February 6, 2024

Continental Shipping And Consulting Pte. Ltd.

Statement of Financial Position

As at December 31, 2023

	Note	Group 2023	Company 2023	Company 2022
		US$	US$	US$
Assets				
Non-current assets				
Plant and equipment	4	147,829	146,421	887
Investment in subsidiaries	5	-	231,669	231,669
Total non-current assets		147,829	378,090	232,556
Current assets				
Trade receivables	6	1,015,354	948,317	643,546
Other receivables	7	25,121	56,881	38,686
Prepayments	8	4,375	-	3,347
Advance for services	9	6,141	6,141	10,053
Cash at banks	10	716,751	512,380	1,654,661
Total current assets		1,767,742	1,523,719	2,350,293
Total assets		**1,915,571**	**1,901,809**	**2,582,849**
Equity and liabilities				
Equity				
Share capital	11	100,000	100,000	100,000
Accumulated profits		1,284,549	1,342,261	1,697,711
Translation Reserve		(8,470)	-	-
Total equity		1,376,079	1,442,261	1,797,711
Non-current Liabilities				
Loans and advances		75,402	75,402	-
Employee's end of service benefits		1,241	-	-
		76,643	75,402	-
Current liabilities				
Trade Payables	12	285,815	209,352	5,735
Other payables and accruals	13	150,803	149,681	468,398
Loans and Advances		12,401	12,401	-
Contract Liabilities		8,020	6,902	-
Income tax payable	18	5,810	5,810	311,005
Total current liabilities		462,849	384,146	785,138
Total liabilities		539,492	459,548	785,138
Total equity and liabilities		**1,915,571**	**1,901,809**	**2,582,849**

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

	Note	Group 2023	Company 2023	Company 2022
		US$	US$	US$
Revenue	14	6,319,350	5,939,595	9,337,693
Other income	15	1,097	1,076	7,225
Cost of services		(5,860,995)	(5,530,585)	(8,290,989)
Depreciation of plant and equipment		(15,450)	(15,108)	(667)
Salaries and employee benefits	16	(430,480)	(382,096)	(494,943)
Other operating expenses		(213,510)	(155,158)	(157,162)
Finance costs		(3,174)	(3,174)	
(Loss)/ profit before income tax	17	(203,162)	(145,450)	401,157
Income tax expense	18	-	-	(57,067)
(Loss)/ Profit after income tax		(203,162)	(145,450)	344,090
Other comprehensive income				
- Items that may be reclassified subsequently to profit or loss		-	-	-
- Translation reserve		(8,470)	-	-
Total comprehensive (loss)/income for the year		**(211,632)**	**(145,450)**	**344,090**
Attributable to:				
Equity holders of the Company:				
- (Loss)/ Profit after income tax		(203,162)	(145,450)	344,090
-Translation differences		(8,470)	-	-
		(211,632)	**(145,450)**	**344,090**

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

Group	Share capital	Translation reserve	Accumulated profits	Attributable to equity holder of the company	Total
	US$	US$	US$	US$	US$
Balance as on 01.01.2023	100,000	-	1,697,711	1,697,711	1,797,711
Dividend declared and paid during the year	-	-	(210,000)	(210,000)	(210,000)
Total comprehensive loss for the year	-	(8,470)	(203,162)	(211,632)	(211,632)
Balance as at 31.12.2023	**100,000**	**(8,470)**	**1,284,549**	**1,276,079**	**1,376,079**

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

Company	Share capital	Accumulated profits	Total
	US$	**US$**	**US$**
Balance as on 01.01.2022	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
Total comprehensive (loss) for the year	-	(145,450)	(145,450)
Dividend declared and paid during the year	-	(210,000)	(210,000)
Balance as at 31.12.2023	**100,000**	**1,342,261**	**1,442,261**

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

	Group 2023
	US$
Cash flows from operating activities	
(Loss) before income tax	(203,162)
Adjustments for :-	
Interest income	(419)
Interest expense	3,174
Depreciation of plant and equipment	15,450
Exchange differences arising on consolidation	(8,470)
Operating (loss) before working capital changes	(193,427)
Trade receivables	(1,015,354)
Other receivables	(7,082)
Prepayments	(4,375)
Advance for cost of services	(6,141)
Trade payables	285,815
Contract liabilities	8,020
Other payables and accruals	134,005
Cash used in operations	(798,539)
Interest received	419
Income tax payable	5,810
Net cash used in operating activities	(792,310)
Cash flows from investing activities	
Purchase of plant and equipment	(163,279)
Net cash used in investing activities	(163,279)
Cash flows from financing activities	
Interest paid	(3,174)
Dividends paid	(210,000)
Proceeds from loans & advances	87,803
Net cash used in financing activities	(125,371)
Net (decrease) in cash and cash equivalents	(1,080,960)
Cash and cash equivalents brought forward	1,797,711
Cash and cash equivalents carried forward	**716,751**
Cash and cash equivalents comprise:-	
Cash at banks	716,710
Cash in hand	41
	716,751

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

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. 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 Group'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 Group and the Company has adopted all the new and amended standards which are relevant to the Group and the Company and are effective for annual periods beginning on or after 1 January 2023. 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 2023:

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 104 Insurance Contracts
FRS 1 Presentation of Financial Statements and Practice Statement 2 Disclosure of Accounting Policies
FRS 8 Definition of Accounting Estimates
FRS 12 Deferred tax related to Assets and Liabilities arising from a single transaction
FRS 12 International Tax Reform – Pillar Two Model Rules

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 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 Leases: Lease Liability in sale and lease back	1 January 2024
Amendments to FRS 107 Financial Instruments Disclosure and FRS 7 Cash flow statements: Supplies Finance Arrangements	1 January 2024
Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability	1 January 2025
Amendments to FRS 28 Investments in Associates or Joint ventures and FRS 110 Consolidated Financial statements: 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. Basis of Consolidation

(i) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary made up to December 31, 2023. Subsidiaries are investees controlled by the Company. All material intra-group transactions and balances within the Group are eliminated on consolidation.

The results of subsidiaries acquired or disposed during the financial year are included in or excluded from the consolidated financial statements from the effective date of acquisition or disposal, as appropriate. Acquisitions of subsidiaries are accounted for using the purchase method.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the equity holders of the Company. They are presented separately in the consolidated statements of financial position, consolidated profit or loss and statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary even, if this results in the non-controlling interests having a deficit balances.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment loss. Any such provisions for impairment are recognised in the profit or loss.

ii) Disposal of subsidiaries

When a change in the Company's ownership interest in a subsidiary's results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of the entity are also reclassified to income statement or transferred directly to accumulated profits if required by a specific standard.
Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

2. Significant accounting policies *(cont'd)*
2.4. Basis of Consolidation *(cont'd)*

iii) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company. Currently, there is no non-controlling interests in the subsidiaries as the subsidiaries are fully owned by holding company.

2.5. Foreign currency transactions and balances

(i) Functional currency

The individual financial statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and of the Company are presented in United States Dollars (US$) which is the functional currency of the Company, and the presentation currency for the financial statements.

(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.

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).

2.6. 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%
Car	-	10%
Subsidiary		
Office Equipment	-	33.33%
Computer Software	-	33.33%

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

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

2.7. 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.

2.8. Impairment of non-financial assets

At each statement of financial position date, the Group 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 Group 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.

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.

2.9. 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 Group and Company measure 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 Group and 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 Group and Company has applied the practical expedient, the Group and 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.

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

2.9. Financial instruments *(cont'd)*

a) Financial assets *(cont'd)*

Initial recognition and measurement *(cont'd)*

Trade receivables that do not contain a significant financing component or for which the Group and Company have 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 Group and Company expect 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

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

<u>Financial assets at amortised cost</u>
The Group and Company measure 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 Group and Company's financial assets at amortised cost includes trade and other receivables and cash and bank balances.

2. Significant accounting policies *(cont'd)*
2.9. Financial instruments*(cont'd)*
a) Financial assets *(cont'd)*

Derecognition

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

When the Group and Company have 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 Group and Company continue 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 Group and Company have 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 Group and Company recognise 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 Group and Company expect 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).

For trade and other receivables, the Group and Company apply a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and 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 Group and Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Group and Company considers a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Significant accounting policies *(cont'd)*
2.9. Financial instruments*(cont'd)*

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 Group and 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.

2.10. Cash and cash equivalents

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

2.11. Provisions

Provisions are recognised when the Group and 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.

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

2.13. Employee benefits

Retirement benefit costs
As required by law, the Group and Company make 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 Group and Company are considered key management personnel.

2.14. Leases

The Group and 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.

a) As lessee
The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The 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 group 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 Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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.

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

2.14. Leases *(cont'd)*

a) As lessee *(cont'd)*

Lease liabilities

In calculating the present value of lease payments, the Group 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 Group 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.

b) As lessor

Leases in which the Group 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.

2.15. Revenue

Revenue is measured based on the consideration to which the Group and Company expect 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 Group and Company satisfy 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 Group and 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 Group and 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. Significant accounting policies *(cont'd)*

2.16. 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 Group and 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.

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.

2.17. 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.

2.18. 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 Group and 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.

(a) Depreciation

The Group 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 Group intends to derive future economic benefits from the use of the Group's plant and equipment. The residual values reflect the directors' estimated amount that the Group 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 Group and Company use 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 Group and Company's historical observed default rates. The Group and 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 Group and 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

Group- 2023	**Computers and peripherals**	**Car**	**Office Equipment**	**Computer Software**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Cost					
At January 1, 2023	5,044	-	-	-	5,044
Additions	444	160,198	1,178	572	162,392
At December 31, 2023	5,488	160,198	1,178	572	167,436
Depreciation					
At January 1, 2023	4,157	-	-	-	4,157
Charge for the year	423	14,685	198	144	15,450
At December 31, 2023	4,580	14,685	198	144	19,607
Net book value					
At December 31, 2023	**908**	**145,513**	**980**	**428**	**147,829**

Company- 2023	**Motor Vehicle**	**Computers and peripherals**	**Total**
	US$	**US$**	**US$**
Cost			
At January 1, 2023	-	5,044	5,044
Additions	160,198	444	160,642
At December 31, 2023	160,198	5,488	165,686
Depreciation			
At January 1, 2023	-	4,157	4,157
Charge for the year	14,685	423	15,108
At December 31, 2023	14,685	4,580	19,265
Net book value			
At December 31, 2022	**145,513**	**908**	**146,421**

Company- 2022	**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**

5. Investment in subsidiaries

	Company 2023	2022
	US$	US$
Unquoted equity shares, at cost	231,669	231,669

The Company's investment in subsidiaries that are not denominated in United States Dollars are as follow:

	2023	2022
	US$	US$
United Arab Emirates Dirham	81,669	81,669
Vietnamese Dong	150,000	150,000

Details of the subsidiary company: -

Name of company	Country of incorporation & place of business	Principal activity	Percentage of ordinary equity held 2023	2022	Cost 2023	2022
			%	%	US$	US$
Continental Worldwide Shipping Service LLC	Dubai	Shipping Containers loading and unloading services, Sea shipping line agents.	**100**	**100**	**81,669**	**81,669**

The subsidiary was incorporated on 12th December 2022. Subsidiary's audited financial statements are considered for consolidation purposes of the Company.

Name of company	Country of incorporation & place of business	Principal activity	Percentage of ordinary equity held 2023	2022	Cost 2023	2022
			%	%	US$	US$
Continental Shipping and Consulting Vietnam Company Limited	Vietnam	Shipping Containers loading and unloading services, Sea shipping line agents.	**100**	**100**	**150,000**	**150,000**

The subsidiary was incorporated on 11th October 2022. Subsidiary's audited financial statements are considered for consolidation purposes of the Company.

5. Investment in subsidiaries *(cont'd)*

Consolidation of the company and its subsidiaries is done w.e.f. 1st January 2023. The subsidiaries were incorporated on 12th December 2022 and 11th October 2022 and there were no business activities during the previous financial year since its incorporation. Hence the subsidiaries were not considered for consolidation purposes as the management was of the opinion that its consolidation would not have provided any additional value or information to the shareholders or management of the Company.

6. Trade receivables

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Trade receivables	1,015,354	948,317	643,546
	1,015,354	**948,317**	**643,546**

The credit term for services provided is 30 days (2022: 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:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Not past due	756,871	755,871	395,716
Past due 30 to 90 days	138,735	106,234	158,049
Past due more than 90 days	119,748	86,212	89,781
	1,015,354	**948,317**	**643,546**

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

7. Other receivables

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Deposits	5,211	5,211	5,209
Advance towards director's benefit-prepayments	18,039	18,039	-
Receivable from subsidiaries	-	33,631	33,477
	23,250	**56,881**	**38,686**

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

The Group and Company's other receivables that are not denominated in the functional currencies of the respective entities are as follow:-

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Singapore Dollars	5,211	5,211	5,209

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

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Prepayments	4,375	-	3,347
	4,375	**-**	**3,347**

The Group and Company's prepayments that are not denominated in the functional currencies of the respective entities are as follow: -

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Singapore Dollars	-	-	3,347

9. Advance for services

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Advance for cost of services	6,141	6,141	10,053
	6,141	**6,141**	**10,053**

10. Cash at banks

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Cash at banks	716,710	512,380	1,654,661
Cash in hand	41	-	-
	716,751	**512,380**	**1,654,661**

The Group and Company's bank balance that is not denominated in the functional currencies of the respective entities is as follows: -

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Singapore Dollars	30,438	30,438	20,485

11. Share capital

	Group and Company			
	2023	2023	2022	2022
	No. of shares issued	US$	No. of shares issued	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

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Trade payables	285,815	209,352	5,735
	285,815	**209,352**	**5,735**

The credit period for services received is immediate (2022: immediate).

13. Other payables and accruals

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Loan received	7,639	7,639	7,639
Amount due to Directors	-	-	175,030
Withholding tax payable	22,398	22,398	49,085
Accrued expenses	120,325	119,644	4,975
Payable-Subsidiaries	-	-	231,669
VAT and other payable	441	-	
	150,803	**149,681**	**468,398**

The Group and Company's other payables and accruals that are not denominated in the functional currencies of the respective entities are as follows: -

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Vietnamese Dong	-	-	150,000
UAE Dirham	-	-	81,669
Singapore Dollars	-	-	233,594

14. Revenue

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Type of service:			
Income from freight forwarding	5,413,742	5,413,742	9,201,088
Other service income	905,608	525,853	136,605
	6,319,350	**5,939,595**	**9,337,693**
Timing of revenue recognition:			
At a point in time	6,319,350	5,939,595	9,337,693
	6,319,350	**5,939,595**	**9,337,693**

There is no variable consideration recognised during the financial year.

15. Other income

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Interest income	398	398	137
Interest earned on fixed deposit	21	-	-
Foreign exchange gain	-	-	91
Government grant- Jobs Growth Incentive	-	-	6,361
- Jobs Support scheme	-	-	-
- Wage credit scheme	678	678	636
	1,097	**1,076**	**7,225**

16. Salaries and employee benefits

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

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Salaries and bonus	77,464	29,080	25,969
CPF contribution	4,997	4,997	4,333
Non-Resident Directors' fees	113,625	113,625	223,115
Local Director			
- remuneration	178,880	178,880	166,719
- bonus			-
Other benefits to Local director			
- medical insurance	5,524	5,524	5,039
- medical expenses	2,855	2,855	3,745
- other benefits	47,135	47,135	66,023
	430,480	**382,096**	**494,943**

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:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Salaries and employee benefits	234,394	234,394	241,526
Non-Resident Directors' fees	113,625	113,625	223,115
	348,019	**348,019**	**464,641**

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):-

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Conveyance	7,651	7,651	10,445
Documentation, handling, and haulage charges	638,512	638,512	872,084
Freight forwarding charges	4,883,742	4,883,742	7,407,650
Foreign exchange (gain)/ loss	3,192	7,332	(91)
Late fees and Penalty	-	-	2,325
Marketing fees	34,793	34,793	60,787
Office rental expenses	40,247	27,766	27,010
Professional fees	5,576	5,576	6,940
Travelling and accommodation	24,200	24,200	13,709

18. Income tax expense

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Current year	-	-	57,067
	-	**-**	**57,067**

18. Income tax expense *(cont'd)*

The income tax expense varied from the amount of income tax expense determined by applying the relevant statutory tax rates to profit before income tax as a result of the following differences:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
(Loss)/ Profit before income tax	**(203,162)**	**(145,450)**	**401,157**
Tax (benefit)/ expense	(27,644)	(24,726)	68,197
Non-deductible items	4,538	4,538	1,605
Deferred tax arising during the year not provided	2,493	2,493	(101)
Statutory stepped income exemption	-	-	(12,634)
Carry forward of unutilised losses	20,613	17,695	-
Income tax expense for the financial year	**-**	**-**	**57,067**

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

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Difference in depreciation	-	2,342	(151)

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:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Local director's remuneration	178,880	178,880	166,719
Non-Resident Directors' fees	113,625	113,625	223,115
Other benefits to Local director	55,514	55,514	74,807
Receivable-Subsidiaries	-	33,631	33,477
Payable- Subsidiaries	-	-	231,669

20. Leases

Company as a lessee

The Company has lease contracts for office premises. The obligations under this lease are secured by the lessor's title to leased asset. The Company is restricted from assigning and sub leasing the leased assets

a) Amounts recognized in profit or loss

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Co-working space lease expense	27,766	27,766	27,010
Short term lease expense	12,481	-	-
Total amount recognised in profit or loss	**40,247**	**27,766**	**27,010**

b) Total cash outflow

The Group had a total cash outflow for leases US$ 40,247 and company had total cash outflows for leases of US$ 27,766 in the year 2023 (2022: US$ 27,010).

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:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Financial assets			
At amortised cost :			
- Trade receivables	1,015,354	948,317	643,546
- Other receivables	25,121	56,881	38,686
- Cash and bank balances	716,751	512,380	1,654,661
Total financial assets	**1,757,226**	**1,517,578**	**2,336,893**
Financial liabilities			
At amortised cost :			
- Trade payables	285,815	209,352	5,735
- Other payables and accruals	182,270	125,644	417,649
- Loans and advances	87,803	87,803	-
- Employee's end of services benefits	1,241	-	-
Total financial liabilities	**557,129**	**422,799**	**423,384**

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

(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.

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

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

(c) Financial risk management*(cont'd)*

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

Group	Carrying amount	Cash flows Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US$	US$	US$	US$
2023				
Financial assets				
Trade receivables	1,015,354	1,015,354	1,015,354	-
Other receivables	25,121	25,121	25,121	-
Cash at banks	716,751	716,751	716,751	-
Total undiscounted financial assets	**1,757,226**	**1,757,226**	**1,757,226**	-
Financial liabilities				
Trade payables	(285,815)	(285,815)	(285,815)	-
Other payables and accruals	(182,270)	(182,270)	(182,270)	-
Loans and Advances	(87,803)	(87,803)	(12,401)	(75,402)
Employee's end of service benefits	(1,241)	(1,241)	-	(1,241)
Total undiscounted financial liabilities	**(557,129)**	**(557,129)**	**(480,486)**	**(76,643)**
Total net undiscounted financial assets/(liabilities)	**1,200,097**	**1,200,097**	**1,276,740**	**(76,643)**

Company	Carrying amount	Cash flows Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US$	US$	US$	US$
2023				
Financial assets				
Trade receivables	948,317	948,317	948,317	-
Other receivables	56,881	56,881	56,881	-
Cash at banks	512,380	512,380	512,380	-
Total undiscounted financial assets	**1,517,578**	**1,517,578**	**1,517,578**	-
Financial liabilities				
Trade payables	(209,352)	(209,352)	(209,352)	-
Other payables and accruals	(125,644)	(125,644)	(125,644)	-
Loans & advances	(87,803)	(87,803)	(12,401)	(75,402)
Total undiscounted financial liabilities	**(422,799)**	**(422,799)**	**(347,397)**	**(75,402)**
Total net undiscounted financial assets/(liabilities)	**1,094,779**	**1,094,779**	**1,170,181**	**(75,402)**

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

Company	**Carrying amount**	**Cash flows** **Contractual cash flow**	**Less than 1 year**	**Within 2 to 5 years**
	US$	US$	US$	US$
2022				
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**	**-**

Credit risk

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

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

The Group and 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 Group and 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 Group has no significant concentration of credit risk in relation to any external receivables except for eight (2022: eight) customers who account for 75% (2022: 69%) of total trade receivables. Further details of credit risks on trade receivables are disclosed in **Note 6** to the financial statements.

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

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

The Company is exposed to foreign exchange movement on its net investment in subsidiaries. No hedge has been taken up from this exposure. This includes investment in foreign subsidiary whose net assets are subject to currency transition risk.

As at financial year end, the carrying value of monetary assets and liabilities denominated in currencies other than the functional currencies of the entities are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the following foreign currencies rate will have an impact on the financial statements of the Group and Company.
Increase in the rate of the foreign currencies by 10% will increase/(decrease) the profit before tax by approximately the following amounts:

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Singapore dollars	3,565	3,565	(20,455)
United Arab Emirates Dirham	-	-	(8,167)
Vietnamese Dong	-	-	(15,000)

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

Fluctuations in other foreign currencies will have no significant effect on the results of the Group and 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 Group and Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group and Company has no significant exposure to price risk.

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

(d) Capital risk management

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

The management manages the capital to ensure the Group and 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 2022.

22. Geopolitical uncertainties and its corresponding impact on the Group and Company

There is some geopolitical uncertainty from the Russia-Ukraine war and more recently the Israel-Hamas war. The Group and Company continue to monitor and evaluate any possible impact on the Group and 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 Group and 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 February 6, 2024.

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 31,2023*

	Group 2023	Company 2023	Company 2022
	US$	US$	US$
Revenue			
Income from freight forwarding	5,413,742	5,413,742	9,201,088
Other service income	905,608	525,853	136,605
	6,319,350	5,939,595	9,337,693
Other income			
Interest income	419	398	137
Foreign exchange gain	-	-	91
Government grant- Jobs Growth Incentive	-	-	6,361
- Jobs Support Scheme	-	-	-
-Wage credit scheme	678	678	636
	1,097	1,076	7,225
Cost of services			
Freight forwarding charges	(4,883,742)	(4,883,742)	(7,407,650)
Documentation, handling and haulage charges	(638,512)	(638,512)	(872,084)
Other services charges	(330,410)	-	-
Insurance	(8,331)	(8,331)	(11,255)
	(5,860,995)	(5,530,585)	(8,290,989)
Depreciation of plant and equipment	(15,450)	(15,108)	(667)
Salaries and employee benefits			
Salaries and bonus	(77,464)	(29,080)	(25,969)
CPF(Staff)	(4,997)	(4,997)	(4,333)
Non Resident Director's fees	(113,625)	(113,625)	(223,115)
Local Director's remuneration	(178,880)	(178,880)	(166,719)
Local Director's medical insurance	(5,524)	(5,524)	(5,039)
Local Director's medical expenses	(2,855)	(2,855)	(3,745)
Local Director's benefit	(47,135)	(47,135)	(66,023)
	(430,480)	(382,096)	(494,943)
Other operating expenses			
Bank charges	(26,651)	(26,162)	(18,933)
Sales and Marketing fees	(34,793)	(34,793)	(60,787)
Conveyance	(7,651)	(7,651)	(10,445)
Entertainment expenses	-	-	(979)
Foreign exchange loss	(3,192)	(7,332)	-
Filing fees	(45)	(45)	(44)
Immigration Expenses	(1,064)	(1,064)	-
Insurance	(2,958)	(2,958)	-
Late fees and Penalty	-	-	(2,325)
Legal & professional fees	(28,867)	-	-
Miscellaneous Expenses	(12,103)	-	-
Office expenses	(14,003)	(10,740)	(12,747)

Cont'd…

Cont'd…

	Group	Company	
	2023	2023	2022
	US$	US$	US$
Office Rent	(40,247)	(27,766)	(27,010)
Outside purchasing service cost	(4,893)	-	-
Postage & courier	(973)	(973)	(752)
Printing and stationary	(1,071)	(755)	(247)
Professional fees	(5,576)	(5,576)	(6,940)
Rates & taxes	(80)	-	-
Membership & subscription	(807)	(807)	-
Telephone	(2,465)	(2,465)	(2,244)
Travelling and accommodation	(24,200)	(24,200)	(13,709)
Write off- related party payables	(1,871)	(1,871)	
	(213,510)	(155,158)	(157,162)
Finance cost			
Interest on Car Loan	(3,174)	(3,174)	-
	(3,174)	(3,174)	-
(Loss)/ Profit before income tax	(203,162)	(145,450)	401,157
Income tax expense	-	-	(57,067)
(Loss)/ Profit after income tax	(203,162)	(145,450)	344,090
Other comprehensive income			
-Translation Reserve	(8,470)	-	-
Total comprehensive (loss)/ income for the year	**(211,632)**	**(145,450)**	**344,090**
Attributable to:			
Equity holders of the Company:			
- Profit after tax	(203,162)	(145,450)	344,090
- Translation differences	(8,470)	-	-
	(211,632)	**(145,450)**	**344,090**