CHINESE MARITIME TRANSPORT (UK) LIMITED
Company Number: 14133469

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD TO 31 DECEMBER 2022

TABLE OF CONTENTS

Strategic report

For the financial period to 31 December 2022

Fair review of the business and key performance indicators

CMTUK could benefit from London, the worldwide shipping centre's market and related maritime services. CMTUK own a fleet of 10 capesize bulker carriers to offer dedicated services to customers for transportation of dry bulk commodities around the world.

Heritage and traditions are deeply embedded in our shipping business which is at the core of CMTUK with parent company Chinese Maritime Transport Ltd. ("CMT") ("#2612", a listed company in Taiwan, R.O.C). Serving as a trusted partner in the shipping industry for decades, CMTUK with parent company CMT expertise and dedication meets the needs of major miners, traders, and operators worldwide, while delivering value through eco performances, reliable customer services, and commitment to protect the marine environment.

Our fleet is managed in-house with highest safety standards. All ships use fully compliant fuel to meet IMO emission standards and effectively reduce carbon footprint. Headed by an outstanding management team and engineers with decades of experience, CMTUK is dedicated to provide high quality tonnages that are equipped with advanced IT solutions, including real-time weather routing system that provides weather forecasts to ensure safety and improve fuel saving. CMTUK's subsidiaries plan and manage fleet operation by integrating ship maintenance software to efficiently schedule delivery of spare parts and machineries via secured data exchange from ship to shore.

CMTUK will continue to seize new opportunities through fleet diversification and investment activities to expand fleet reach in the shipping industry while adopting proactive measures to enhance its environmental protection initiatives.

The company's key financial and other performance indicators during the year were as follows:

	Group	
	2022	2021
	US$	US$
Turnover	86,349,778	63,673,085
Profit for the financial year	25,615,671	12,080,340
EBITDA	56,683,318	39,581,829
Net Equity	30,456,565	220,511,718
Average number of:		
Employees (Crews & Directors)	203	193
Vessels owned or leased	10	10

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the core activities of the company are set out below. Risks are reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

(i) Weather Factors Affecting Exports

The first quarter of the year has been the period of lower iron ore export due to poor weather. If the condition turns mild in Brazil and Australia, market should see a rebound in freight sooner than expected. Market has seen some improvement in the fourth quarter of 2022.

(ii) EU Demand for Coal

After the Sanctions on Russian coal, Europe has started to import coal from countries such as South Africa, Australia and Indonesia in order to fill the import gap. The seaborne dry bulk cargoes on capes already grew in 2022 by about 3%.

Strategic report

For the financial period to 31 December 2022

Principal risks and uncertainties (cont'd)

(iii) People's Republic of China ("PRC") Covid-19 Policy
The government's zero-tolerance policy has been relaxed therefore market is watching the resurrection of steel production and other manufacturing activities.

(iv) PRC Real Estate Demand
The government rolled out 16 major policies to stimulate the real estate market which will likely stabilize the housing and steel markets then generate demand for iron ore.

Future developments

Worldwide iron ore export has increased in the fourth quarter of 2022 but real estate and manufacturing demand is still weak in PRC. PRC real estate investment and sales are still under pressure therefore dry bulk market will go through further adjustment period. The world will gradually return to more stable and CMTUK and her subsidiaries' strategy remain to fix long term time charter contracts with two new buildings joining the fleet in the first half of 2023. Post year end the CMTUK subsidiaries: Two new buildings China Venture and China Champion will join the fleet in the first half of 2023.

This report was approved by the board and signed on its behalf.

....

William Shih-Hsiao Peng

Director

Date: 16th March,2023

Directors' Report

For the financial period to 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022

The Directors who served during the year and to the date of this report were:

Fung Kim Hing	(Appointed on 26 May 2022)
William Shih-Hsiao Peng	(Appointed on 26 May 2022)
Tai Shan Chien	(Appointed on 26 May 2022)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted International Financial Reporting Standards (IFRS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Group is that of vessel owner and chartering.

The principal activity of the Company is that of investment holding.

Results and Dividends

A restructuring exercise was carried out as part of holding company restructuring plan during the financial year, with the Company acquiring 14 subsidiaries that existed and were under common control within the Group headed by Chinese Maritime Transport Ltd., a company incorporated in Taiwan, Republic of China. These companies have been included in the consolidated financial statements of the Group in a manner similar to the "pooling-of-interest" method. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidiary relationship was not incorporated until after 26 May 2022.

Directors' Report

Results and Dividends (cont'd)

The Group made a profit for the year, after taxation, of $25,598,455 (2021: $12,080,332).

Dividends totalling $11,800,000 (2021: $21,960,000) were declared in the year. All dividends were declared before the group underwent restructuring.

Going concern

The Group prepares its financial statements on going concern basis as the group is profit making and generating cash flows from its operating activities during the financial year. In addition, the group is in its net assets and net current asset position at the end of financial year.

The directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Events after the reporting date

On 18 January 2023, the Group granted a loan of U$5,750,000 from its related party – Chinese Maritime Transport (Hong Kong), Limited. for the purpose of finance the shipbuilding installment and cash management demand. The loan is unsecured, bear interest at 1 month LIBOR plus 0.75% and is repayable within 5 years.

The Group have subsequently entered charters hire agreement totaling U$14,970,000.

Financial instruments

The financial instruments by category were disclosure in Note 25.

Financial risk management objectives

The activities of CMTUK and her subsidiaries expose it to a number of financial risks including liquidity risk, interest rate risk and operational risk (Note 23). These risks, their impact on the company and how the board mitigates these risks are dealt with as part of the Strategic Report and form part of this report through cross-reference. It has also done so in respect of future developments.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has no employees, premises or operations in the UK and therefore do not meet the threshold for disclosure in the current year. The subsidiaries of the Group are exempt from the requirement to disclose this information.

Directors' Report

For the financial period to 31 December 2022

Directors' statement of compliance with duty to promote the success of the Company

The directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doings so had regard, amongst other matters, to :

- the likely consequences of any decision in the long term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business contact; and
- the need to act fairly as between shareholders of the company.

The vast majority of stakeholder engagement is carried out by the Board.

The Board considers and discusses information from across the organization to help it understand the impact of the company's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. As a result of these activities, the Board has an overview of engagement with stakeholders, and the other relevant factors, which enables the directors to comply with their legal duty under section 172 of the Companies Act 2006.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Strategic report

The Directors have chosen in accordance with section 414C (11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the Group.

Auditors

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report was approved by the Board and signed on its behalf by:

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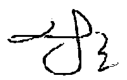
Director
William Shih-Hsiao Peng
Date: 16 March 2023



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Director
Fung Kim Hing
Date: 16 March 2023

Report of the Independent Auditors to the Member of Chinese Maritime Transport (UK) Limited

For the financial period to 31 December 2022

Opinion

We have audited the financial statements of Chinese Maritime Transport (UK) Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2022 which comprise Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adapted by the UK; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Report of the Independent Auditors to the Member of Chinese Maritime Transport (UK) Limited

For the financial period to 31 December 2022

Report of the Independent Auditor of the Financial Statements (cont'd)

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Member of Chinese Maritime Transport (UK) Limited

For the financial period to 31 December 2022

Report of the Independent Auditor of the Financial Statements (cont'd)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and group in the context of the mining sector and countries in which it operates and determined that the most significant frameworks which are directly relevant so specific assertions in the financial statements are those that relate to the reporting framework (IFRS and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the parent company and group is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes, discussions with those charged with governance, and component auditors.

We assess the susceptibility of the parent company and group's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the parent company and group has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets. Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulation identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matter

The Company was incorporated on 26 May 2022. The prior year Group figures have been consolidated under merger accounting principles, but were not audited at the Group level.

Report of the Independent Auditors to the Member of Chinese Maritime Transport (UK) Limited

For the financial period to 31 December 2022

Report of the Independent Auditor of the Financial Statements (cont'd)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

R Gillespie

Richard Gillespie FCCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
3rd Floor
Ocean Village Innovation Centre
Ocean Way
Southampton
Hampshire
SO14 3JZ
16 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial period to 31 December 2022

		Group	
	Note	2022	2021
		US$	US$
Revenue	4	86,349,778	63,673,085
Cost of sales		(57,277,793)	(50,120,267)
Gross profit		29,071,985	13,552,818
Other income	5	1,008,493	441,402
Administrative expenses		(1,001,382)	(473,825)
Other expenses		(516)	(43,345)
Finance costs	6	(3,462,909)	(1,396,710)
Profit before tax	7	25,615,671	12,080,340
Income tax expense	9	(17,216)	(8)
Profit for the period, representing total comprehensive income for the financial period		25,598,455	12,080,332

Total comprehensive income

No transactions required recognition through the Statement of Other Comprehensive Income in the current or prior year.

Total Profit or Loss and Other Comprehensive Income for the year all related to continuing operations.

Total Profit or Loss and Other Comprehensive Income for the year all related to Owners of the parent.

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial period from 26 may 2022 (date of incorporation) to 31 December 2022

	Note	Group 31 December 2022 US$	Group 31 December 2021 US$	Company 31 December 2022 US$
ASSETS				
Current assets				
Cash and cash equivalents	10	43,865,452	28,728,228	15,129,345
Fixed deposits – pledged	11	4,582,089	6,359,758	-
Other receivables	12	79,245,876	42,175,366	15,178
		127,693,417	77,263,352	15,144,523
Non-current assets				
Investment in subsidiaries	13	-	-	231,203,609
Property, plant and equipment	14	305,706,657	329,822,954	-
Deferred dry-docking expenditure	15	5,456,061	2,942,130	-
		311,162,718	332,765,084	231,203,609
Total assets		438,856,135	410,028,436	246,348,132
EQUITY AND LIABILITIES				
Equity				
Share capital	18	21,000,000	218,550,000	21,000,000
Merger reserve	19	(6,303,608)	-	-
Retained earnings	19	15,760,173	1,961,718	14,323,132
		30,456,565	220,511,718	35,323,132
Current liabilities				
Other payables	16	4,509,101	12,946,966	25,000
Borrowings	17	18,172,280	18,048,511	-
Income tax liabilities		17,652	5,574	-
		22,699,033	31,001,051	25,000
Non-current liabilities				
Borrowings	17	385,700,537	158,515,667	211,000,000
Total liabilities		408,399,570	189,516,718	211,025,000
Total equity and liabilities		438,856,135	410,028,436	246,348,132

The Financial Statements were approved and authorised for issue by the board of Directors and were signed on it's behalf by:

....	....
Director	Director
William Shih-Hsiao Peng	Fung Kim Hing
Date: 16 March 2023	Date: 16 March 2023

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial period from 26 may 2022 (date of incorporation) to 31 December 2022

	Note	Share capital US$	Merger reserve US$	Retained earnings US$	Total equity US$
Group					
Balance at 1 January 2021	19	218,550,000	-	11,841,386	230,391,386
Dividend		-	-	(21,960,000)	(21,960,000)
Profit for the year, representing total comprehensive income for the financial year		-	-	12,080,332	12,080,332
Balance at 31 December 2021		218,550,000	-	1,961,718	220,511,718
Adjustment pursuant to restructuring exercise	19	-	(6,303,608)	-	(6,303,608)
Deemed distribution to owner pursuant to the restructuring exercise	13	(218,550,000)	-	-	(218,550,000)
Issuance of ordinary shares	19	21,000,000	-	-	21,000,000
Dividend		-	-	(11,800,000)	(11,800,000)
Profit for the year, representing total comprehensive income for the financial year		-	-	25,598,455	25,598,455
Balance at 31 December 2022		21,000,000	(6,303,608)	15,760,173	30,456,565

	Note	Share capital US$	Retained earnings US$	Total equity US$
Company				
Balance at date of incorporation	19	1,000,000	-	1,000,000
Issuance of ordinary shares	19	20,000,000	-	20,000,000
Profit for the period, representing total comprehensive income for the financial period		-	14,323,132	14,323,132
Balance at 31 December 2022		21,000,000	14,323,132	35,323,132

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial period to 31 December 2022

	Note	Group 2022 US$	2021 US$
Cash flows from operating activities			
Profit before tax		25,615,671	12,080,340
Adjustments for:			
Depreciation – property, plant and equipment	14	24,627,264	24,454,195
Amortisation of dry-docking expenditure	15	2,977,474	1,650,583
Interest income	5	(606,335)	(69,373)
Interest expense	6	3,462,909	1,396,710
Operating cash flows before working capital changes		56,076,963	39,512,455
Change in working capital:			
Other receivables		301,794	(8,299,430)
Other payables		(8,437,865)	9,947,550
Cash generated from operations		47,940,892	41,160,575
Income tax paid		(5,138)	32,819
Interest received		606,355	69,373
Net cash generated from operating activities		48,542,109	41,262,767
Cash flows from investing activities			
Addition of dry-docking expenditure	15	(5,491,405)	(2,868,551)
Advance for vessels	12	(37,372,304)	(31,400,000)
Purchase of plant and equipment	14	(510,967)	(2,134,664)
Acquisition of subsidiaries, net of cash and cash equivalents		7,146,392	-
Net cash used in investing activities		(36,228,284)	(36,403,215)
Cash flows from financing activities			
Repayment of term loans		(19,391,361)	(21,798,511)
Drawdown of term loans		15,000,000	15,000,000
Interest paid		(3,462,909)	(1,396,710)
Movement of fixed deposit pledged		1,777,669	1,281,896
Dividend paid		(11,800,000)	(21,960,000)
Loans payable to Group		20,700,000	8,400,000
Net cash generated from/(used in) financing activities		2,823,399	(20,473,325)
Net change in cash and cash equivalents		15,137,224	(15,613,774)
Cash and cash equivalents at beginning of financial year		28,728,228	44,342,002
Cash and cash equivalents at the end of financial year	10	43,865,452	28,728,228

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial period to 31 December 2022

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

1. **General**

Chinese Maritime Transport (UK) Limited (the "Company") is incorporated and domiciled in the United Kingdom. The registered office of the Company is at Aldgate Tower, 2 Leman Street, London, E1 8QN, United Kingdom with principal operations based in Hong Kong and Singapore.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The immediate and ultimate holding company is Chinese Maritime Transport Ltd., a company incorporated in Taiwan, Republic of China.

The consolidated financial statements of the Group and the statement of the financial position and statement of changes in equity of the Company for the financial period from 26 May 2022 (date of incorporation) to 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on the date of Directors' Statement.

2. **Summary of significant accounting policies**

2.1 Restructuring exercise

A restructuring exercise was carried out as part of the holding company restructuring plan during the financial year.

The restructuring exercise involved acquisition of companies, which are under common control, as detailed in note 13. These companies have been included in the consolidated financial statements of the Group in a manner similar to the "pooling-of-interest" method. Further details regarding the policies used in accounting for this transaction are detailed in policy 2.5 below.

2.2 Adoption of new and amended standards and interpretations

In the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial 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 Group.

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for instruments carried at fair value.

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 3.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of comprehensive income in these financial statements.

These financial statements are rounded to the nearest USD ($).

The financial statements cover the financial period from 26 May 2022 (date of incorporation) to 31 December 2022. No comparative figures are provided as this is the first set of financial statements prepared for the Company and its subsidiaries since the date of its incorporation.

2.5 Going concern

The Group prepares its financial statements on going concern basis as the group is profit making and generating cash flows from its operating activities during the financial year. In addition, the group is in its net assets and net current asset position at the end of financial year.

The directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

2. Summary of significant accounting policies (cont'd)

2.6 Basis of consolidation (cont'd)

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

In the separate financial statements of the Company, investment in subsidiaries is carried at cost, less any impairment loss that has been recognised in profit or loss.

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity. Any difference between the cash paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

2.7 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US$"), which is the Company's functional currency and Group's presentation currency.

2. **Summary of significant accounting policies (cont'd)**

2.7 Foreign currency transactions and balances (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Vessels	-	20 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further change for depreciation is needed in respect of these assets.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Dry-docking expenses incurred are capitalised and amortised to profit or loss over a period of 2 to 3 years.

2. **Summary of significant accounting policies (cont'd)**

2.9 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Company's statement of financial position.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Financial instruments

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 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.

Trade receivables are measured at the amount of consideration to which the Group 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.

2. **Summary of significant accounting policies (cont'd)**

2.11 Financial instruments (cont'd)

Financial assets (cont'd)

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

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, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. **Summary of significant accounting policies (cont'd)**

2.11 Financial instruments (cont'd)

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.12 Impairment of financial assets

The Group 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 Group 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).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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 considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents excluded any pledged deposits.

2. **Summary of significant accounting policies (cont'd)**

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Borrowing costs

All borrowing costs are recognised as expenses in the reporting period in which they are incurred.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date. When an entity breaches an undertaking under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

Where the entity expects, and has the discretion, to re-finance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility with the same lender, the liability is classified as non-current.

2.16 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. Summary of significant accounting policies (cont'd)

2.17 Revenue

As required by IFRS 15 "Revenue from contracts with customers", the Group recognize revenue respecting the following five steps approach:

(i) identify the contract with a customer,
(ii) identify all the individual performance obligations within the contract,
(iii) determine the transaction price,
(iv) allocate the price to the performance obligations,
(v) recognize revenue as the performance obligations are fulfilled.

The Group will only recognise as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs over a period greater than one year. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group will recognise a contract liability in respect of advances from customers, being an obligation to transfer services to a customer for which the group has received payment in advance of providing a service.

Charter hire income arising from operating leases on the Group's vessels are 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 recognized over the lease term on the same basis as charter hire income.

Dividend income in the parent company is recognised when shareholders' right to receive payment is established.

2.18 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

3. Accounting estimates and judgments

The group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historically experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Restructuring

Management have adjudged that the most appropriate basis for representing the transaction detailed in note 2.1, as there has been no change in overall control of the subsidiaries acquired, is to adopt the 'pooling of interests' approach as common control transactions are outside the scope of the IFRS's. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidiary relationship was not established until after 26 May 2022. Management has concluded that the financial statements present fairly the group's financial position, financial performance and cash flows as to account for the restructuring exercise under acquisition accounting principles outlined in IFRS 3 - Business combinations, would be misrepresentative.

To enable the restructuring plan to be completed, interest free loans were received from the wider group that the company forms part. Management have considered these loans to be risk free and as such adopt a discount rate of 0%. The carrying value of these loans is therefore considered to match their fair value.

3. Accounting estimates and judgments (cont'd)

Vessels useful economic lives

The cost of vessels and vessels' improvement of the Group is depreciated on a straight-line basis over the useful lives of the vessels. Management estimates the useful lives of the vessels and vessels improvements to be within 20 years and 3 years respectively (Note 2.8). Changes in the expected level of usage could impact the economic useful lives and the residual values of the assets, and future depreciation charges could be revised.

Carrying value of Vessels

Management also reviews the vessels for impairment whenever there is an indication that the carrying amount of the vessel may not be recoverable. Management measures the recoverability of an asset by comparing it carrying amount against its recoverable amount. Recoverable amount is the higher of the fair value less cost of disposal and value in use, which is the future cash flows that the vessel is expected to generate and the expected running cost thereof over its remaining useful life with a cash inflow in the final year equal to the expected residual value of the vessel. The future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money. If a vessel is considered to be impaired, impairment loss is recognised to an amount equal to the excess of the carrying value of the asset over its recoverable amount.

Residual value of vessels

The Group reviews the residual value of vessels at each reporting period to ensure that the amount is consistent with the future economic benefits embodied in the vessels at the point of disposal. In determining the residual value of the vessels, the Group considers the net proceeds that would be obtained from the disposal of the vessels in the resale or scrap markets, fluctuations in scrap steel prices in recent years and industry practice.

Revenue recognition

The key judgement made by management in respect of revenue is the point at which it should be recognised. Management consider that revenue should be considered at the point that the customer has received the service provided by the group satisfying agreed performance obligations. Due to the group offering time voyage revenue contracts with the customers, revenue is recognised 'over time'.

Valuation of fixed asset investments

The Company follow the guidance of IAS 36 *Impairment of Assets* on determining whether investment in subsidiaries are impaired. This determination requires significant judgement. The Company evaluate, among other factors, the duration and extent to which the fair value of investment in subsidiaries are less than its cost and the financial health of and near-term business outlook for investment in subsidiaries, including factors such as industry and sector performance, changes in technology and operational and financing cash flows which may indicate the net present value of future cash flows of each cash generating unit is lower than the assets current carrying value.

3. Accounting estimates and judgments (cont'd)

Recoverability of amounts receivable from group undertakings

The recoverable value of receivables from related parties is estimated by the group and Parent Company specific to each balance held. When assessing the impairment of receivables from related parties, management considers factors including the carrying value of the net assets of the undertaking of the related entity and the ability to call in debt from amounts owed by other group companies with the ability to make payments on demand. The IFRS 9 simplified approach to measuring expected credit loss is applied, by determining the actual ability of the Company to make payments on demand. Any amounts deemed to be unrecoverable for a period of time, are appropriately discounted at the Group's incremental cost of borrowing.

4. Revenue

	Group 2022	2021
	US$	US$
Over time		
Charter hire income	86,349,778	63,673,085

All revenue is generated from the vessels held in subsidiaries registered in Hong Kong and Singapore.

	Group 2022	2021
	US$	US$
Contract balances		
Payments on account (Note 16)	1,878,210	2,429,991

The Group enters into fixed-price contracts with customers, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. Contract liabilities are recognised as revenue as the Group performs under the contract.

Set out below is the amount of revenue recognised from:

	Group 2022	2021
	US$	US$
Amounts included in contract liabilities at the beginning of the year	2,429,991	1,063,683

5. Other operating income

	Group 2022 US$	2021 US$
Bank interest income	606,355	69,373
Exchange differences	477	20,444
Service charges	140,200	161,500
Communication/Victuals/Entertainment ("CVE") income	261,461	190,085
	1,008,493	441,402

6. Finance costs

	Group 2022 US$	2021 US$
Term loan interest	3,176,478	1,396,710
Interest on loans payable to group	286,431	-
	3,462,909	1,396,710

7. Profit before tax

Profit before tax has been arrived at after charging:

	Group 2022 US$	2021 US$
Cost of sales		
Amortisation of dry-docking expenditure (Note 15)	2,977,474	1,650,583
Brokerage fees	5,396,861	3,980,903
Crew wages and salaries (Note 8)	11,036,562	9,463,650
Depreciation of Property, plant and equipment (Note 14)	24,627,264	24,454,195
Management fee (Note 22)	1,560,000	1,380,000
Repair, maintenance and stores	3,973,805	3,416,220
Administrative expenses		
Audit fee	134,237	111,461
Professional fee	186,417	90,626
Management fee (Note 22)	559,771	250,000

Fees for the Group auditor were $25,000. Non-audit services totaled $5,500. There was no Group auditor in the prior period.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022	2021
	US$	US$
Wages and salaries	11,036,562	9,463,650
Social security costs	-	-
Cost of defined contribution scheme	-	-
	11,036,562	9,463,650

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022	2021
	No.	No.
Crew	200	190
Office	-	-
Directors	3	3
	203	193

9. Income tax expense

The major components of income tax expense recognised in profit or loss for the financial period ended 31 December 2022 and 31 December 2021 were:

	Group 2022	2021
	US$	US$
Current income tax	17,216	1,187
Overprovision of income tax	-	(1,179)
	-	8

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 31 December 2022 and 31 December 2021 were as follows:

	Group 2022	2021
	US$	US$
Profit before tax	25,615,670	12,080,340
Tax at applicable tax rate 19% (2021: 19%)	4,866,977	2,295,265
Effect of different tax rates from overseas operations	610,047	284,771
Expenses not deductible for tax	10,134,612	9,313,661
Income not subject to tax	(15,587,509)	(11,884,722)
Tax exemption and rebates	(6,911)	(7,789)
Overprovision of income tax	-	(1,178)
Total income tax expense recognised in profit or loss	17,216	8

9. Income tax expense (cont'd)

The Group's income from qualifying shipping activities is exempted from income tax in accordance with the respective Income Tax Acts of the countries which the subsidiaries operate its business.

Changes in tax rates and factors affecting future tax charges

A change to the main UK corporation tax rate was announced in the Spring Budget on 3 March 2021 and was substantively enacted during the year, increasing from 19% to 25% for companies with profits in excess of £250,000, from 1 April 2023.

Deferred Tax

There are no Deferred Tax liabilities arising on temporary differences as the revenue generated from shipping companies in Hong Kong and Singapore is tax exempted by the respective local tax authorities.

There are no unrecognized tax losses and capital allowance at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

10. Cash and cash equivalents

	Group		Company
	2022	2021	2022
	US$	US$	US$
Cash at banks	8,207,886	15,674,040	1,329,345
Fixed deposits – unpledged	35,657,566	13,054,188	13,800,000
	43,865,452	28,728,228	15,129,345

The fixed deposits bear interest rate at 3.0% to 4.80% (2021: 0.02% to 0.32%) per annum and matured within 1 to 3 months from the end of reporting period.

11. Fixed deposits – pledged

	Group	
	2022	2021
	US$	US$
Fixed deposits – pledged	4,582,089	6,359,758

Fixed deposits – pledged represents amount pledged to financial institutions for term loans (Note 17).

The fixed deposits bear interest rate at 3.00% to 4.80% (2021: 0.02% to 0.32%) per annum and mature within 1 to 3 months from the end of reporting period.

The currency profile of the Group's fixed deposits – pledged as at the end of the reporting period is United States dollar.

12. Other receivables

	Group 2022 US$	Group 2021 US$	Company 2022 US$
Other receivables			
- third parties	1,310,591	1,253,319	15,178
- ultimate holding company	238,884	288,665	-
Loan receivable from group	8,000,000	8,000,000	-
Advances for vessels	68,852,320	31,480,016	-
Prepayments	822,883	1,132,666	-
Deposits	21,198	20,698	-
	79,245,876	42,175,364	15,178

The non-trade amount due from ultimate holding company and loan receivable from group are unsecured, interest-free and is repayable on demand.

There are two vessels in construction that were completed in the subsequent year.

The currency profile of the Group's and the Company's other receivables as at the end of the reporting period is United States dollar.

13. Investment in subsidiaries

	Company 2022 US$
Unquoted equity investment, at cost	
At date of incorporation	-
Acquisition of subsidiaries	231,203,609
At end of financial period	231,203,609

Acquisition of subsidiaries

During the financial year, the Company acquired the following subsidiaries for a total consideration of US$231,203,609.

The acquisition considerations were arrived on willing-buyer willing-seller basis, taking into account, amongst others, the net asset value of subsidiaries as at 31 August 2022 and mutually agreed dates. The total considerations were satisfied by an aggregated cash consideration of US$231,203,609.

Following the completion of the above transactions, the acquired entities became subsidiaries of the Company.

13. Investment in subsidiaries (cont'd)

The details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Percentage of equity held 2022 %
Held by the Company			
China Ace Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Vista Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Venture Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Champion Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Fortune Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Enterprise Shipping Pte. Ltd.	Vessel owner and chartering	Singapore	100
China Peace Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Progress Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Pride Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Pioneer Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Trade Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Triumph Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Honour Shipping Limited	Vessel owner and chartering	Hong Kong	100
China Harmony Shipping Limited	Vessel owner and chartering	Hong Kong	100

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

On 5 October 2022, the Company acquired 5,500,000 and 6,000,000 ordinary shares each in China Peace Shipping Limited and China Progress Shipping Limited for cash consideration of US$5,845,020 and US$6,804,624 respectively.

On 6 October 2022, the Company acquired 10,000,000 ordinary shares in China Ace Shipping Pte Ltd for cash consideration of US$9,989,993.

On 7 October 2022, the Company acquired 10,000,000 ordinary shares in China Vista Shipping Pte Ltd for cash consideration of US$9,989,993.

On 21 October 2022, the Company acquired 12,600,000 ordinary shares in China Venture Shipping Pte Ltd for cash consideration of US$12,480,686.

On 24 October 2022, the Company acquired 12,700,000 ordinary shares in China Champion Shipping Pte Ltd for cash consideration of US$12,599,355.

On 25 October 2022, the Company acquired 420,000 ordinary shares in China Pride Shipping Limited for cash consideration of US$41,763,632.

On 26 October 2022, the Company acquired 29,900,000 and 240,000 ordinary shares each in China Fortune Shipping Pte Ltd and China Pioneer Shipping Limited for cash consideration of US$23,922,852 and US$23,105,710 respectively.

On 28 October 2022, the Company acquired 23,100,000 ordinary shares in China Enterprise Shipping Pte Ltd for cash consideration of US$24,166,059.

On 28 November 2022, the Company acquired 13,000,000 ordinary shares in China Trade Shipping Limited for cash consideration of US$13,903,765.

On 29 November 2022, the Company acquired 13,000,000 ordinary shares in China Triumph Shipping Limited for cash consideration of US$14,148,071.

On 8 December 2022, the Company acquired 150,000 ordinary shares in China Honour Shipping Limited for cash consideration of US$16,321,020.

On 15 December 2022, the Company acquired 150,000 ordinary shares in China Harmony Shipping Limited for cash consideration of US$16,162,829.

14 Property, plant and equipment

Group

	Vessels US$
2022	
Cost	
At 1 January 2021	589,341,292
Addition	2,134,664
At 31 December 2021	591,475,956
Addition	510,967
At 31 December 2022	591,986,923
Accumulated depreciation	
At 1 January 2021	205,643,736
Depreciation	24,454,195
At 31 December 2021	230,097,931
Depreciation	24,627,264
At 31 December 2022	254,725,195
Accumulated impairment	
At 1 January 2021, 31 December 2021,31 December 2022	31,555,071
Carrying amount	
At 31 December 2022	305,706,657
At 31 December 2021	329,822,954

The Group's vessels are pledged to secure the term loans as disclosed in Note 17.

15 Deferred dry-docking expenditure

	Group	
	2022 US$	2021 US$
At beginning of financial year	2,942,130	1,724,162
Addition	5,491,405	2,868,551
Amortisation	(2,977,474)	(1,650,583)
At end of financial year	5,456,061	2,942,130

Dry-docking expenses incurred were capitalised and amortised to profit or loss over a period of 2 and 3 years.

16. Other payables

	Group 2022 US$	2021 US$	Company 2022 US$
Other payables			
- third parties	2,476,966	2,510,458	-
- related party	-	153,419	-
Contract liabilities	1,878,210	2,429,991	-
Accrued operating expenses	153,925	203,098	25,000
Dividend payables	-	7,650,000	-
	4,509,101	12,946,966	25,000

The non-trade amount due to a related party is unsecured, non-interest bearing and is repayable on demand.

The currency profile of the Group's and the Company's other payables as at the end of the reporting period is United States dollar.

17. Borrowings

	Group 2022 US$	2022 US$	Company 2022 US$
Current			
Due within next 12 months			
Bank Term loans	18,172,280	18,048,511	-
Loans payable to Group	-	-	-
	18,172,280	18,048,511	-
Non-current			
Due within 2 to 5 years			
Bank Term loans	83,820,537	88,335,667	-
Loans payable to Group	301,880,000	70,180,000	211,000,000
	385,700,537	158,515,667	211,000,000

The effective interest rate was 4.20% per annum. The bank term loan is repayable over 20 semi-annual installments commencing upon delivery of vessel.

The bank term loans are secured by way of a first priority statutory mortgage over the Group's vessels (Note 13) together with a collateral deed of covenants, pre-delivery security assignment, the general in relation to assignment of insurances and requisition compensation and corporate guarantee from a related party.

The currency profile of the Group's bank term loans as at the end of the reporting period is United States dollar.

The loan payables to Group amounted to US$ 25,100,000 (2021:US$ Nil) are unsecured, bear interest at 1 month LIBOR plus 0.75% and is repayable within 5 years.

Loans payable by the Parent Company bear no interest.

18. Share capital

	Group 2022 Number of ordinary shares	Group 2021 Number of ordinary shares	Group 2022 US$	Group 2021 US$
Called up, allotted and fully paid				
Beginning of financial year *	218,550	218,550	218,550,000	218,550,000
Deemed distribution to owner pursuant to the restructuring exercise (Note 2.1)	(218,550)	-	(218,550,000)	-
Issuance of ordinary shares	21,000	-	21,000,000	-
At end of financial year	21,000	218,550	21,000,000	218,550,000

	Company 2022 Number of ordinary shares	Company 2022 US$
Called up, allotted and fully paid		
Beginning of financial year	1,000	1,000,000
Issuance of ordinary shares	20,000	20,000,000
At end of financial year	21,000	21,000,000

* For the Group's comparative figures in the financial statements for the financial year ended 31 December 2021, the share capital of the Group represents the aggregated value of the issued and fully paid-up capital of all subsidiaries of the Company.

On 26 May 2022 (date of incorporation), the Company issued 1,000 ordinary shares for cash consideration of US$1,000,000 for working capital purposes.

On 18 August 2022, the Company issued 20,000 ordinary shares for cash consideration of US$20,000,000 for working capital purposes.

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 restrictions.

The Company has one class of Ordinary share, which has a par value of $1,000.

19. Reserves

Retained earnings of the Group and Company represents cumulative profits and are distributable.

Merger reserve represents the difference between the consideration paid and the net assets of a subsidiary acquired under common control that was accounted for by applying the "pooling-of-interest" method.

20. Leases

Group as lessor

The Group has entered into operating leases on its vessels. These leases are negotiated for terms ranging from 12 to 15 months. Charter hire income from vessels is disclosed in Note 4.

The future minimum charter hire income under non-cancellable operation leases contracted for at the end of the reporting period is as follows:

	Group	
	2022	2021
	US$	US$
Not later than 1 year	36,465,968	33,056,136

21. Commitment

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2022	2021
	US$	US$
Vessel under construction	175,000,000	211,600,000

22. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial period:

	Group	
	2022	2021
	US$	US$
Ultimate holding company		
Management fee paid to ultimate holding company	1,869,771	1,380,000
Commission paid	1,079,372	795,914
Related party- CMT Maritime Transport (HK) Limited		
Loan interest	286,431	-
Management fee paid to a related party	250,000	250,000

Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

There was no remuneration paid to the directors of the Group during the financial period.

23. **Financial risk management**

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

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 period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

Credit risk

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

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

The Group 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 has determined the default event on a financial asset to 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 or there is significant difficulty of the counterparty.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

23. **Financial risk management (cont'd)**

Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when:
- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

Group	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			US$	US$	US$
2022					
Other receivables	I	12-month ECL	9,570,673	-	9,570,673
Company					
2022					
Other receivables	I	12-month ECL	15,178	-	15,178

Group	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			US$	US$	US$
2021					
Other receivables	I	12-month ECL	9,562,682	-	9,562,682

23. **Financial risk management (cont'd)**

Credit risk (cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

The Group has no significant concentration of credit risk. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Amount due from related party

The Group 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 Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group finance its working capital requirements through a combination of funds generated from operations and funding from related company, if necessary. The directors are satisfied that funds are available to finance the operations of the Group.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's financial liabilities at the end of reporting period based on contractual undiscounted repayments obligations.

Group

2022	Within 1 year	Within 2 to 5 years	Total
	US$	US$	US$
Financial liabilities			
Other payables	2,630,891	-	2,630,891
Loans payable to Group	936,294	302,020,297	302,956,591
Term loans	21,004,800	89,610,289	110,615,089
	24,571,985	391,630,586	416,202,571

23. **Financial risk management (cont'd)**

Liquidity risk (cont'd)

Group

2021	Within 1 year US$	Within 2 to 5 years US$	After 5 years US$	Total US$
Financial liabilities				
Other payables	10,516,975	-	-	10,516,975
Loans payable to Group	-	-	70,180,000	70,180,000
Term loans	22,567,839	53,726,568	30,089,771	106,384,178
	33,084,814	53,726,568	100,269,771	187,081,153

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from loans payable to Group and term loans.

The following table sets out the carrying amount as at 31 December 2022 and 31 December 2021, by maturity or repricing, whichever is earlier, of the financial instruments of the Group that are exposed to interest rate risk:

	Group	
	2022 US$	2021 US$
Financial liabilities		
Floating rate		
Term loans	101,992,817	106,384,178
Loans payable to Group	25,100,000	-

23. **Financial risk management (cont'd)**

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial liabilities, a change of 1% points in interest rate at the reporting date would increase/(decrease) profit before income tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group Profit before tax 2022	
	1% increase	1% decrease
	US$	US$
Term loans	(1,019,928)	1,019,928
Loans payable to Group	(251,000)	251,000

	Group Profit before tax 2021	
	1% increase	1% decrease
	US$	US$
Term loans	(1,063,842)	1,063,842

Foreign currency risk

The Group's foreign exchange risk results mainly from cash at bank denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The currency profile of the Group's and the Company's cash and cash equivalents as at the end of the reporting period is as follows:

	Group		Company
	2022	2021	2022
	US$	US$	US$
Singapore dollar	31,136	29,505	-
Hong Kong dollor	32,919	3,371	-
Chinese Yuan	3,089	24,768	-
United States dollar	43,798,308	35,030,341	30,258,690
	43,865,452	35,087,985	30,258,690

24. Fair value of assets and liabilities

The carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their respective fair value as at reporting date due to the short-term maturity of these balances.

The fair value of non-current financial liabilities that are not carried at fair value in relation to the term loans disclosed in Note 17 to the financial statements approximate their fair value as the term loans are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

Fair value of financial instruments carried at fair value

The Group and the Company has no financial assets and financial liabilities carried at fair value as at 31 December 2022 and 31 December 2021.

25. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Group	
	2022	2021
	US$	US$
Financial assets measured at amortised cost	53,436,125	38,290,910
Financial liabilities measured at amortised cost	406,503,708	187,081,153

	Company
	2022
	US$
Financial assets measured at amortised cost	15,178
Financial liabilities measured at amortised cost	25,000

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued share capital, reserves and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial period ended 31 December 2021.

Notes to the Financial Statements

27. **Events occurring after the reporting period**

On 18 January 2023, the Group granted a loan of U$5,750,000 from its related party – Chinese Maritime Transport (Hong Kong), Limited. for the purpose of finance the shipbuilding installment and cash management demand. The loan is unsecured, bear interest at 1 month LIBOR plus 0.75% and is repayable within 5 years.

The Group have subsequently entered charters hire agreement totaling U$14,970,000.