X-PRESS CONTAINER LINE (UK) LIMITED AND ITS SUBSIDIARY COMPANIES

REVISED REPORT OF DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2023

**X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES**

Directors
Timothy Amyas Hartnoll
Tristan John Rance Howitt
Angus Richard Parkinson

Company Secretary
Cornhill Secretaries Limited

Registered Office
Ground Floor, The Quay 30 Channel Way, Ocean Village,
Southampton, United Kingdom, SO14 3TG

Company No. 02470077

Auditors
Moore Kingston Smith LLP

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

31 DECEMBER 2023

CONTENTS **Page**

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their strategic report on the Group for the year ended 31 December 2023.

Review of Business

The Group and the Parent company continued to charter vessels for the purpose of providing container feeder services, they also continued to undertake shipping agency functions for business transactions in the United Kingdom, Sweden, Germany, Cyprus, and through a branch in Spain. The business conducted is principally transportation services. The Group operates throughout Europe and the Mediterranean.

Results and Performances

The results of the Group for the year, as set out on page 12, show a profit after tax of US$86.1 million (2022: US$42.7 million). The equity reserve attributable to the owner of the Group recorded an equity of US$ 63.0 million (2022: US$17.0 million).

The improvement in results is primarily attributed to the absence of a US$35.6 million long-term leased vessel impairment in 2023, alongside a US$20.7 million gain from the disposal of a lease liability in 2023. However, the operating profit of US$64.5 million (2022: US$80.6 million) has dropped due to lower vessel utilisation of rates, which fell to 105% in 2023 from 138% in 2022. Despite this, the gross profit margin increased slightly to 29.2% in 2023 from 28.7% in 2022. This was driven by lower bunker costs and reduced charter rates, which positively impacted cost efficiency.

The Group reported a positive current asset position, with current assets exceeding current liabilities by US$46.2 million (2022: US$10.1 million), marking an improvement driven mainly by the repayment of lease liabilities during the year. However, the Group's total assets declined from US$161.8 million in 2022 to US$128.4 million in 2023, primarily due to the disposal of right-of-use vessels during the year.

Business Environment

Certain European ports are expected to continue to be faced with persistent long term congestion challenges. The Group continues to incorporate the costs of these delays into its business model to attain higher freight rates. This remains a critical task in the highly competitive environment in which the Group operates.

Key Performance Indicators ('KPI')

The Directors consider the key financial performance indicators to be gross profit margins and liquidity ratios.

	Group		**Company**	
	2023	2022	2023	2022
Gross Profit/ (Loss) margin	29.2%	28.7%	(25.5%)	31.1%
Current ratio	1.84	1.09	7.02	1.79
Debtor's turnover days	7 days	17 days	40 days	10 days
Creditor's turnover days	31 days	31 days	83 days	102 days
Utilisation	105.44%	137.95%	60.94%	90.69%

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont'd)

Key Performance Indicators ('KPI') (cont'd)

The Group's gross profit margin remained steady at 29.2% in 2023, compared to 28.7% in 2022. The consistency reflects the Group's ability to effectively manage costs and maintain operational efficiency. The improvement in the current ratio highlights the Group's strengthened liquidity position, primarily driven by better working capital management. The reduction in debtor turnover days indicates faster collection of receivables and improved credit control. The credit turnover days remained consistent at 31 days for both 2023 and 2022, demonstrating the Group's ability to manage its payment cycle effectively. Nonetheless, the decrease in vessel utilisation reflects reduced demand during the year.

The management has constantly been monitoring and managing its costs, which has resulted in an improvement in the profit margin.

Streamlined Energy and Carbon Reporting (SECR)

The Group's UK energy consumption is below the 40,000kWh threshold for reporting disclosures required by Companies Act 2006 (Part 15 - Directors Report) Regulations 2013. Therefore, under the regulations, the Group is not required to disclose energy and carbon information in its Directors' Report.

Principal risks and uncertainties

The principal risks and uncertainties surrounding the Group are in relation to the general economic conditions, fluctuations of charter hire rates and bunker fuel prices as well as congestion problems in some European ports.

The management continue to leverage on its track record of prudence, nimbleness and reliability to strengthen its relationships with customers and business partners.

Future Developments

The future results of the Group are expected to be dependent on freight rates and cargo volumes, as well as charter hire rates and bunker fuel prices. With the new regulations relating to the EU Emissions Trading System (EU ETS) extending to the maritime transport industry from 2024, the Group is also working to deploy more efficient energy vessels in the trade. The Management has been monitoring and managing these risks on an on-going basis in order to improve its profitability.

Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on pages above. Section 172 on the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Group's and Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Group's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Group and Company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we set out below how the Board engages with our stakeholders, thus complying with the requirement to include a statement setting out how our Directors have discharged this duty.

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006 (cont'd)

In this context we note the following:

- The Directors are fully aware of their responsibilities to promote the success of the Group and Company in accordance with section 172 of the Companies Act 2006. To ensure the Group and Company complies, the Board regularly reflects on how the Group engages with its stakeholders and opportunities for enhancement in the future.

- The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom through information provided by management and also by direct engagement with stakeholders themselves. Such stakeholders include shareholders, employees, customers and the wider community in which the Group operates. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group as part of its decision making.

- We aim to work responsibly with both customers and suppliers. We aim to treat all customers and suppliers fairly when negoatiating terms with new and existing stakeholders.

- The Board continues to enhance its methods of engagement with its workforce.

The Group reviewed its results periodically during the year and also conducts Annual Budget exercise, considering the changes in the industry eg. customers. vessels deployment.

The fundamental overriding principles in the governance of the Group and Company is that of ensuring transparent conduct with reflects fairness in all dealings with the stakeholder group.

This report was approved by the Board of Directors on 23rd December 2024 and signed on their behalf by:

Signed by:
2986A56374AF4D9

ANGUS PARKINSON
DIRECTOR

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the audited financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2023.

Dividends and Transfers to Reserves

The net income of the Group and the Company for the financial year of US$86,090,680 and US$61,354,486 (2022: US$42,734,974 and US$ 90,588,172) will be credited to retained earnings. During the financial year, the Company declared a dividend of US$41,000,000 (2022: US$92,790,000).

Branch Operations

The Group operates a branch in Barcelona.

Directors

The directors who served the Company during the year were as follows:

Timothy Amyas Hartnoll
Tristan John Rance Howitt
Angus Richard Parkinson

Going concern

In the current financial year, the Group's current assets exceeded its current liabilities by US$46,238,154 (2022: US$10,149,417) and the Group has a shareholder's equity of US$62,979,022 (2022: US$17,032,615).

The Group generated net income of US$86,090,680 (2022: US$42,734,974) and total comprehensive income of US$86,985,733 (2022: US$42,672,141).

The directors have reviewed the budgets and forecasts for the foreseeable future and have reasonable expectation that the Group has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

There have been no material post balance events that require adjustment or disclosure in the financial statements.

Statement as to Disclosure of Information to Auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

(a) so far as each director is aware, there is no relevant audit information of which the Group's independent auditors are unaware; and

(b) each director has taken all the steps that he ought to have taken as a director, including making appropriate enquiries of his fellow directors and of the Group's independent auditors for that purpose, in order to make him aware of any information needed by the Group's independent auditors in connection with preparing their report and to establish that the Group's independent auditors are aware of that information.

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the 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 group and parent company financial statements in accordance with UK adopted International Accounting Standards. 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 group and parent company 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 the financial statements have been prepared in accordance with International Accounting Standards as adopted by the UK, 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company 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 Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board of Directors on 23rd December 2024 and signed on their behalf by:

Signed by:

2986A56374AF4D9

ANGUS PARKINSON
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED AND ITS SUBSIDIARY COMPANIES

Opinion

We have audited the revised financial statements of X-Press Container Line (UK) Limited (the "parent company') and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the revised financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK and, as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006..

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the requirement of the Companies Act 2006; and
- the parent company's financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions 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 Auditor's responsibilities for the audit of the revised 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 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 audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED AND ITS SUBSIDIARY COMPANIES

(cont'd)

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

(cont'd)

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 strategic report or the directors' report.

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 Group or the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Group 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 Directors' Report set out on page 4 and 5, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

(cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED AND ITS SUBSIDIARY COMPANIES

(cont'd)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (cont'd)

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent company; and considered that the most significant are the Companies Act 2006, International Accounting Standards as adopted UK Endorsement Board, and UK taxation legislation.
- We obtained an understanding of how the group and parent company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of noncompliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

(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 for no purpose other than to draw to the attention of company's members those matters we are required to state to them in an auditor's report 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.

Moore Kingston Smith LLP

Jonathan Sutcliffe (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Date : 23rd December 2024

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 US$	Group 2022 US$
Revenue	3	306,104,590	369,197,337
Cost of sales		(216,769,418)	(263,215,573)
Gross profit		89,335,172	105,981,764
Administrative expenses		(24,809,444)	(25,383,630)
Operating profit		64,525,728	80,598,134
Other income	4	25,833,532	3,675,282
Impairment for ROU vessel	9	-	(35,626,258)
Finance expenses	5	(4,210,465)	(5,839,601)
Profit before income tax	4	86,148,795	42,807,557
Income tax expense	7	(58,115)	(72,583)
Profit for the year		86,090,680	42,734,974
Other comprehensive profit/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment		591,121	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		303,932	(62,833)
Total comprehensive income for the year		86,985,733	42,672,141
Profit for the year attributable to:			
Owner of the Company		86,051,354	42,734,079
Non-controlling interests		39,326	895
		86,090,680	42,734,974
Total comprehensive income for the year attributable to:			
Owner of the Company		86,946,407	42,671,246
Non-controlling interests		39,326	895
		86,985,733	42,672,141

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

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP AND PARENT COMPANY
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
ASSETS		US$	US$	US$	US$
Non-Current Assets					
Property, plant and equipment	9	27,421,170	54,364,105	167,447	40,767
Investment in subsidiary companies	10	-	-	1,967,056	1,967,056
		27,421,170	54,364,105	2,134,503	2,007,823
Current Assets					
Financial assets at fair value through profit or loss	13	11	11	11	11
Inventories	14	4,666,430	6,354,802	27,738	410,121
Trade and other receivables	15	26,586,769	50,067,092	28,302,707	2,206,361
Amount due from the holding company	18	57,812,859	34,367,145	-	8,790,549
Contract assets	3	7,336,995	7,089,499	508,669	700,268
Cash and cash equivalents		4,566,625	9,524,903	1,003,759	194,594
		100,969,689	107,403,452	29,842,884	12,301,904
Total Assets		**128,390,859**	**161,767,557**	**31,977,387**	**14,309,727**
EQUITY AND LIABILITIES					
Equity attributable to owner of the Company					
Share capital	16	742,624	742,624	742,624	742,624
Accumulated Income		60,742,057	15,690,703	26,858,076	6,503,590
Asset Revaluation Reserve		1,171,998	580,877	-	-
Translation Reserve		322,343	18,411	-	-
		62,979,022	17,032,615	27,600,700	7,246,214
Non-controlling interests		40,223	897	-	-
Total Equity		63,019,245	17,033,512	27,600,700	7,246,214
Non-Current Liabilities					
Lease liabilities	21	10,363,501	47,296,834	122,622	-
Loan Payable	12	276,578	183,176	-	-
		10,640,079	47,480,010	122,622	-
Current Liabilities					
Trade and other payables	17	32,111,655	39,348,525	4,213,268	7,032,387
Contract liabilities	3	112,650	347,628	7,477	22,055
Lease liabilities	21	22,447,626	57,503,042	33,320	9,071
Loan Payable	12	53,121	53,736	-	-
Tax payable		6,483	1,104	-	-
		54,731,535	97,254,035	4,254,065	7,063,513
Total Liabilities		**65,371,614**	**144,734,045**	**4,376,687**	**7,063,513**
Total Equity and Liabilities		**128,390,859**	**161,767,557**	**31,977,387**	**14,309,727**

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

The financial statement has been prepared in accordance with the exemption from preparing a parent company statement of comprehensive income. The parent company's active subsidiary Hico Ventures Limited ("HICO") is exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of section 479A of the Companies Act 2006. The registered office for HICO is Floor 3, 32 Old Burlington Street, London, W1S 3AT.

The parent company has therefore guaranteed all existing liabilities of the above entity at 31 December 2023, and this guarantee will remain in force until those liabilities are settled.

As permitted by Section 408 of the Companies Act 2006 the Parent Company has taken advantage of the exemption from presenting its own profit and loss account. The profit for the financial year of the parent company was US$61.4 million (2022: US$90.1 million).

The financial statements were approved by the Board of Directors. This report was approved by the Board of Directors on 23rd December 2024 and signed on their behalf by:

Signed by:

ANGUS PARKINSON
DIRECTOR

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

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP AND PARENT COMPANY
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to Owners of the Company						
	Share Capital US$	Accumulated (Losses)/ Income US$	Asset Revaluation Reserve US$	Translation Reserve US$	Total US$	Non-controlling Interests US$	Total Equity US$
Group							
Balance at 1 January 2023	742,624	15,690,703	580,877	18,411	17,032,615	897	17,033,512
Income for the year	-	86,051,354	-	-	86,051,354	39,326	86,090,680
Other comprehensive income, net of tax:							
Gain on revaluation of property, plant and equipment	-	-	591,121	-	591,121	-	591,121
Exchange differences on translation of foreign operations	-	-	-	303,932	303,932	-	303,932
Total comprehensive income for the year	-	86,051,354	591,121	303,932	86,946,407	39,326	86,985,733
Dividends (Note 23)	-	(41,000,000)	-	-	(41,000,000)	-	(41,000,000)
Balance at 31 December 2023	742,624	60,742,057	1,171,998	322,343	62,979,022	40,223	63,019,245

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

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to Owners of the Company						
	Share Capital US$	Accumulated (Losses)/ Income US$	Asset Revaluation Reserve US$	Translation Reserve US$	Total US$	Non-controlling Interests US$	Total Equity US$
Group (cont'd)							
Balance at 1 January 2022	742,624	66,983,672	580,877	81,244	68,388,417	-	68,388,417
Income for the year	-	42,734,079	-	-	42,734,079	895	42,734,974
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Exchange differences							
on translation of foreign operations	-	-	-	(62,833)	(62,833)	-	(62,833)
Total comprehensive income for the year		42,734,079		(62,833)	42,671,246	895	42,672,141
NCI interest in a subsidiary company	-	-	-	-	-	2	2
Disposal of subsidiary company	-	(1,237,048)	-	-	(1,237,048)	-	(1,237,048)
Dividends (Note 23)	-	(92,790,000)	-	-	(92,790,000)	-	(92,790,000)
Balance at 31 December 2022	742,624	15,690,703	580,877	18,411	17,032,615	897	17,033,512

The accompanying notes form an integral part of these financial statements

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP AND PARENT COMPANY
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

(cont'd)

	Share Capital US$	Accumulated (Losses)/ Income US$	Total US$
Company			
Balance at 1 January 2023	742,624	6,503,590	7,246,214
Net income and total comprehensive income for the year	-	61,354,486	61,354,486
Dividends (Note 23)	-	(41,000,000)	(41,000,000)
Balance at 31 December 2023	742,624	26,858,076	27,600,700
Balance at 1 January 2022	742,624	8,705,419	9,448,043
Net income and total comprehensive income for the year	-	90,588,171	90,588,171
Dividends (Note 23)	-	(92,790,000)	(92,790,000)
Balance at 31 December 2022	742,624	6,503,590	7,246,214

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

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP AND PARENT COMPANY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Cash Flows from Operating Activities					
Profit before income tax		86,148,795	42,807,557	61,354,486	90,588,171
Adjustments for:					
Allowance for impairment of trade receivables	4	27,736	1,152,090	-	103,148
Allowance for impairment of other receivables	4	216,130	-	-	-
Write back of allowance for impairment of trade receivables	4	(1,152,090)	(171,492)	(75,412)	(74,553)
Impairment loss on right-of-use assets (Vessels)			35,626,258	-	-
Gain on disposal of lease liabilities	21	(20,787,249)	-	-	-
Depreciation of property, plant and equipment	9	42,444,366	71,259,503	48,336	59,282
Unrealised foreign exchange loss/(gain)		2,561,925	(1,857,296)	17,955	(584,516)
Interest income		(26,890)	(71,668)	(185)	(10,133)
Interest and financing expense	5	4,210,465	5,839,601	10,475	-
Dividend income from Subsidiary		-	-	(66,000,000)	(89,160,000)
Operating cash flows before working capital changes		113,643,188	154,584,553	(4,644,345)	921,400
Changes in working capital					
Inventories		1,688,372	(174,748)	382,383	(107,502)
Trade and other receivables		24,027,573	(13,576,527)	(25,825,414)	(21,802,640)
Trade and other payables		(7,517,751)	4,512,987	(2,864,529)	3,403,038
Cash generated from operations		131,841,382	145,346,265	(32,951,905)	(17,585,704)
Interest received		26,890	71,668	185	10,133
Income tax paid		(52,736)	(71,972)	-	-
Net cash generated from operating activities		131,815,536	145,345,961	(32,951,720)	(17,575,571)
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	9	(18,691,513)	(144,145)	(4,169)	(23,839)
Proceeds from disposal of property, plant and equipment		-	61,655	-	-
Net cash acquisition of a subsidiary company		-	-	-	(1,009)
Net proceeds from disposal of a subsidiary company		-	-	-	302,898
Dividend income from a subsidiary		-	-	66,000,000	89,160,000
Net cash generated in investing activities		(18,691,513)	(82,490)	65,995,831	89,438,050
Cash Flows from Financing Activity					
Principal payment of lease liabilities	21	(52,539,277)	(62,261,100)	(37,769)	(36,708)
Interest Paid	5,21	(4,074,764)	(5,645,094)	(6,096)	-
Net transfer to/from group cash pool	18	(20,538,094)	14,149,479	8,790,549	11,583,090
Accounts receivable financing refund/(expense)	5	(135,701)	(194,507)	(4,379)	-
Proceeds from Loan	12	92,787	-	-	-
Loan repayment	12	(10,464)	(37,421)	-	-
Dividends paid		(41,000,000)	(92,790,000)	(41,000,000)	(92,790,000)
Net cash used in financing activities		(118,205,513)	(146,778,643)	(32,257,695)	(81,243,618)
Net (decrease)/increase in cash and cash equivalents		(5,081,490)	(1,515,172)	786,416	(9,381,141)
Effects of exchange rate changes on the balance of cash held in foreign currencies		123,212	(13,559)	22,749	(51,719)
Cash and cash equivalents at the beginning of the year		9,524,903	11,053,634	194,594	9,627,454
Cash and cash equivalents Increase at the end of the year		4,566,625	9,524,903	1,003,759	194,594

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

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

GROUP AND PARENT COMPANY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

(cont'd)

Reconciliation of Net Cash Flow to Movement in Net Debt

	Note	Group		Company	
		2023 US$	2022 US$	2023 US$	2022 US$
Net (decrease)/increase in cash and cash equivalents in the year		(5,081,490)	(1,515,170)	786,416	(9,381,141)
Cash inflow from increase in debt financing		10,464	37,421		-
Change in net debt resulting from cash flows		(5,071,026)	(1,477,749)	786,416	(9,381,141)
Movement in net debt in the year		(5,071,026)	(1,477,749)	786,416	(9,381,141)
Net debt at the start of the year		6,148,907	7,626,656	(961,878)	8,419,263
Net debt at the end of the year		1,077,881	6,148,907	(175,462)	(961,878)

Net debt is calculated as total external borrowings less cash and cash equivalents.

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

1 Summary of Material Accounting Policies

X-Press Container Line (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor, The Quay 30 Channel Way, Ocean Village, Southampton, United Kingdom, SO14 3TG.

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ("IAS") and with those parts of the Companies Act 2006 applicable to companies reporting under IAS, except as otherwise stated. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies in the succeeding pages. The financial statements are presented in US Dollars, being the functional currency of the entities of the Group except as indicated in Note 10. Each entity in the Group has determined its functional currency as being the currency of the primary economic environment in which the entity predominantly operates. No Group entity has a functional currency of a hyper-inflationary economy.

The principal accounting policies adopted are set out below.

Adoption of New or Revised IAS and IFRS issued which are effective

On 1 January 2023, the Group has adopted the new and revised IAS and IFRS that are mandatory for application for the financial year.

Description		Effective for annual financial periods beginning on or after
IAS 1	*Amendments to IAS 1: Disclosure of Accounting Policies and IFRS Practice Statement 2 Making Materiality Judgements*	1 January 2023
IAS 8	*Amendments to IAS 8: Definition of Accounting Estimates*	1 January 2023
IAS 12	*Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transactions*	1 January 2023

The adoption of these new and revised IAS and IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported.

New or Revised IAS and IFRS issued but not yet effective

At the date of authorisation of these financial statements, the relevant amended IFRSs that have been issued but not yet effective is as follows:

Description		Effective for annual financial periods beginning on or after
IAS 1	*Amendments to IAS 1: Classification of Liabilities as Current or Non-current*	1 January 2024
IFRS 16	*Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*	1 January 2024
IAS 1	*Amendments to IAS 1: Non-current Liabilities with Covenants*	1 January 2024
IFRS 10 and IAS 1	*Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred indefinitely, early application is still permitted

1 **Summary of Material Accounting Policies** (cont'd)

New or Revised IAS and IFRS issued but not yet effective (cont'd)

Management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

(a) Going Concern

In the current financial year, the Group's current assets exceeded its current liabilities by US$46,238,154 (2022: US$10,149,417) and the Group has a shareholder's equity of US$62,979,022 (2022: US$17,032,615).

The Group generated net income of US$86,090,680 (2022: US$42,734,974) and total comprehensive income of US$86,985,733 (2022: US$42,672,141).

The management has reviewed the budgets and forecasts for the foreseeable future and have reasonable expectation that the Group has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") made up to 31 December 2023.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

1 **Summary of Material Accounting Policies** (cont'd)

(a) Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any minority interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the minority interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Non-controlling interest is the equity in a subsidiary not attributable, direct or indirectly, to a parent company.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1 **Summary of Material Accounting Policies** (cont'd)

(b) Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:
- its assets, including its share of any assets held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(c) Currency Translation

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 ("functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency. Group has used an exchange rate of US$1.2732/GBP existed at year end date.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences 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 end of the reporting period are recognised in profit or loss, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the qualifying as net investment hedges and net investment in foreign operations. 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 initial transactions. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

1 **Summary of Material Accounting Policies** (cont'd)

(c) Currency Translation (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rate at the date of the statement of financial position;
(ii) Income or expense for each statement of comprehensive income or separate income statement presented (i.e. including comparatives) are translated at the exchange rate at the date of the transaction; and
(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit associated with an item will flow to the Group and the cost can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold building where the Group has a policy of revaluing every 3 years.
Subsequent expenditure relating to property, plant and equipment that has already been recognised, is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditures are recognised as an expense during the financial year in which it is incurred.

Depreciation of property, plant and equipment is calculated on a straight line basis to write off the cost of the asset less the estimated residual value over its estimated useful life. The estimated useful life is as follows:

Office equipment, furniture and fittings	-	4 to 5 years
Computers	-	4 years
Renovations	-	10 years or lease term whichever is shorter
Freehold buildings	-	53 to 71 years (remaining life from acquisition date)
Motor vehicle	-	36 months
ROU Leasehold Building	-	As per lease term
ROU Vessels	-	As per lease term

The residual values and useful life of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date.

1 **Summary of Material Accounting Policies** (cont'd)

(d) Property, Plant and Equipment (cont'd)

When property is revalued, any surplus on revaluation is credited to an asset revaluation reserve. A decrease in net carrying amount arising from the revaluation of property is charged in profit or loss to the extent that it exceeds any surplus held in revaluation reserve relating to a previous revaluation of the same class of assets.

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

(e) Intangible Assets

Feeder service lines are initially recognised at cost and subsequently carried at cost less accumulated impairment losses, if any. The Group assessed that the feeder service lines have indefinite useful lives. Feeder contracts are initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. This cost is amortised to the profit of loss using the straight-line method over their estimated useful lives, which varies depending on the contracts.

(f) Impairment of Non-Financial Assets

At each reporting date, the carrying amounts of the Group's non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Whenever the carrying amount of a non-financial asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

The recoverable amount is the higher of an asset's fair value less costs of disposal (estimated net selling price) or value-in-use. The estimated net selling price is the amount which is considered to be obtainable from the sale of an asset in an arm's length transaction. Value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 in prior years. All reversals of impairment are recognised in profit or loss.

(g) Inventories

Inventories, which comprise bunker fuel, are stated at the lower of cost and net realisable value, with cost determined on a first-in, first-out basis. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business less costs to be incurred in marketing, selling and distribution.

Stores and spares are charged to operating expenses when purchased and no account is taken of stocks remaining on board at the reporting date.

1 **Summary of Material Accounting Policies** (cont'd)

(h) Financial Assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Initial Recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 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.

Financial assets measured at amortised costs are presented as "loan receivables", "trade and other receivables", "contract assets" and "cash and cash equivalents" on the statement of financial position.

Subsequent Measurement

Debt instruments

Debt instruments mainly comprise of loan. Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets measured at amortised cost

Assets that are held for 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. Impairment losses are deducted from the gross carrying amount of these assets and are presented as a separate line item in the statement of profit or loss.

Interest income is recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

1 **Summary of Material Accounting Policies** (cont'd)

(h) Financial Assets (cont'd)

Classification and measurement (cont'd)

Subsequent Measurement (cont'd)

FVPL

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. For debt investment that is measured at FVPL that is not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Interest income is recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with the following financial instruments:

- financial assets measured at amortised cost; and
- contract assets (as defined in IFRS 15);

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – Trade receivables and contract assets

The Group applies the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

1 **Summary of Material Accounting Policies** (cont'd)

(h) Financial Assets (cont'd)

Impairment (cont'd)

General approach – Financial assets
The Group applies the general approach to provide for ECLs on its financial assets, which require the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

1 **Summary of Material Accounting Policies** (cont'd)

(h) Financial Assets (cont'd)

Impairment (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Trade that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(i) Fair Value Estimation of Financial Assets and Liabilities

The financial assets at fair value through profit or loss measured at level 3 are unquoted investments, and their fair value were estimated based on valuation techniques.

1 **Summary of Material Accounting Policies** (cont'd)

(i) Fair Value Estimation of Financial Assets and Liabilities (cont'd)

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

(j) Financial Liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value through profit and loss. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial liabilities of the Group are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date. Financial liabilities of the Group include trade and other payables, amount due to related parties and amount due to holding company at the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(k) 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 a reliable estimate can be made of the amount of the obligation. Where the Group is confident that a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

1 **Summary of Material Accounting Policies** (cont'd)

(l) Leases

As lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "property, plant and equipment" in the statements of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

1 **Summary of Material Accounting Policies** (cont'd)

(l) Leases (cont'd)

As lessee (cont'd)

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets of less than $5,000, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

As lessor
The group enters into lease agreements as a lessor with respect to some of its leased vessels.

Leases for which the group is a lessor are classified operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised in line with the revenue recognition policies above.

Short-term lease and lease of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (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 that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(m) Contingencies

The Group does not recognise contingent liabilities until such liabilities are considered to be probable. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements until they have materialised but are disclosed until they are virtually certain to be received.

1 **Summary of Material Accounting Policies** (cont'd)

(n) Employee Benefits – Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

(o) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for rendering the promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by rendering a promised service to the customer, which is when the customer obtains benefits of the service. A performance obligation is satisfied over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Freight income

Freight income is recognised over time as the performance obligation is satisfied, including a share of revenue from uncompleted voyages at the reporting date. For uncompleted voyages, percentage of completion is computed based on the number of days of a voyage at the reporting date, as a percentage of the total number of days a voyage is estimated to last.

Agency income

Agency income is recognised when the Group satisfies a performance obligation by rendering the services to the customer, which is when the customer obtains benefits of the service. A performance obligation is satisfied over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sub-charter hire income

Time charter income, which is an operating lease in nature, is recognised over the life of time charter agreements.

Ship management fee, Brokerage and Service income

Ship management fee, brokerage and service income are recognised when the Group satisfies a performance obligation by rendering the services to the customer, which is when the customer obtains benefits of the service. A performance obligation is satisfied over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

1 Summary of Material Accounting Policies (cont'd)

(p) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(q) Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at 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 recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 at the reporting date.

Deferred taxes are recognised in the profit or loss except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

1 **Summary of Material Accounting Policies** (cont'd)

(r) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements if:

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity 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 a 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (i);
   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 parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other information and facts available at the time, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

In the preparation of these financial statements, management is required to make judgements, estimated and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Estimate and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, accrual experience may differ from these estimates.

The principal estimates and judgements that could have a significant effect on the company's financial statements are:

Loss allowance for trade receivables and contract assets

The Group uses provision rates to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. Please refer to Note 23(a)(ii) for details.

The provision matrix is initially based on the Group's historical observed default rates. The Group 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 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's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 32(a)(ii).

During the financial year ended 31 December 2023, the Group recognised a net provision for impairment of trade receivables of US$27,736 (2022: US$1,152,090). The carrying amount of the Group's trade receivables and contract assets as at 31 December 2023 are disclosed in Notes 15 and 3 respectively.

Impairment of right-of-use assets - vessels

Management assesses impairment indicators across the Group's right-of-use assets. The steep decline in vessel charter rates in 2023 indicated impairment on right-of-use assets for long-term chartered vessels.

2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(a) Critical Accounting Estimates and Assumptions (cont'd)

Impairment of right-of-use assets - vessels

The main assumptions used by the Group in order to perform impairment testing of its right-of-use vessels are the following:

- The Group categorised its right-of-use vessels into 5 Group's cash-generating-units ("CGU") according to their sizes.
- Present value of future cash flows were recalculated using the market charter rate for each vessel.
- Impairment loss was provided for each CGU based on each CGU's collective shortfall against its recoverable amount. There was no impairment loss recognised during the year (2022: US$35,626,258 impairment loss).

If the vessel charter rates increased by 1%, the net present value of future cash flows would have increased by and the impairment loss reduced by US$124,442 (2022: US$514,159).

Revaluation of freehold land and building

The Group adopts a policy of revaluing its freehold properties every three years to ensure that the carrying amounts reflect fair values as of the balance sheet date. These valuations are conducted by independent qualified property valuer. The revaluation process involves significant judgment, particularly in selecting the appropriate valuation and the underlying assumptions. The carrying amount of the Group's freehold land and building as at 31 December 2023 are disclosed in Note 9.

Lease modifications

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extensions options are reasonably certain to be exercised. During the year, management have reassessed the lease term on significant ROU leases which resulted in the shortening of the lease term compared to that which was initially anticipated and accounted for. Management consider this to be a modification to an existing lease agreement and not separable transactions. The lease modification in the year resulted in a decrease to the lease liability of US$5,620,917 (2022: US$nil).

3 Revenue and Contract Assets and Contract Liabilities

An analysis of the Group's revenue is as follows:

	2023	2022
	US$	US$
By Activity:		
Freight income	283,865,738	348,093,159
Sub-charter hire income	14,944,244	15,251,429
Agency income	7,294,608	5,593,244
Forwarding income	-	257,491
Brokerage Income	-	2,014
	306,104,590	369,197,337

3 **Revenue and Contract Assets and Liabilities** (cont'd)

Revenue is recognised at point in time when service is rendered to the customers.

The Group is applying the practical expedient disclosure exemption of para 120 IFRS 15 by virtue of contracts being shorter than one year in term.

Where revenue is earned through sub-charter hire income, the hire is treated as a operating lease and management assess this based on retaining the risks and rewards of ownership.

	2023	2022
	US$	US$
By Geographical Area:		
North Europe	51,944,754	65,747,700
South Europe	198,436,534	195,462,071
America	4,423,786	5,405,316
Middle East	5,373,640	16,684,811
Africa	-	10,792,786
Asia	45,925,876	75,104,653
	306,104,590	369,197,337

The Group's typical payment terms stipulate payment within 45 days following the issuance of an invoice.

An analysis of the Group's revenue is as follows: (cont'd)

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Contract assets	7,336,995	7,089,499	508,669	700,268
Contract liabilities	112,650	347,628	7,477	22,055

Contract assets

Contract assets relate to revenue representing the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional, usually occurs when invoices are billed to the customer, usually within a month.

3 Revenue and Contract Assets and Liabilities (cont'd)

Contract assets (cont'd)

Contract assets reclassified to trade receivables amounted to US$7,089,499 (2022: US$5,417,592) for the financial year ended 31 December 2023.

Management always estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the contract assets at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

Management has assessed that there has not been a significant increase in credit risk since initial recognition, therefore no allowance for impairment loss on contract assets is required during the financial year ended 31 December 2023.

Contract liabilities

Contract liabilities relate to the Group's obligation to perform the services for customers for which the Group has billed the customers for the Group's services. Contract liabilities are recognised as revenue at the point the Group performs under the contract.

Revenue recognised in the financial year ended 31 December 2023 which was included in the contract liabilities balance at the beginning of the year was US$347,628 (2022: US$3,150,113). Management expects that 100% of the contract liabilities as of 31 December 2023 may be recognised as revenue during the next reporting period.

4 Profit before Income Tax

	2023 US$	2022 US$
Income before income tax is stated after charging/(crediting):		
Included in cost of sales		
Operating lease expense - vessel charter hire	74,021,402	72,579,004
Bunker expenses during the year	61,802,604	77,049,957
Bad debts written off	-	1,915
Provision for expected credit losses, net		
- Trade receivables	(1,124,354)	982,513
- Other receivables	216,130	-
Included in administrative expenses		
Operating lease expense - rental of office premises	225,156	128,912
Depreciation of property, plant and equipment (excluding ROU Vessels (Note 9))	306,962	157,711
Auditor's remuneration:		
- statutory audit	58,348	66,263
- taxation services	46,285	43,776
Included in other income		
Gain on disposal of lease liabilities (Note 21)	(20,787,249)	-
Foreign exchange loss/(gain) – net	957,946	(826,137)

5 Finance Expense

	2023 US$	2022 US$
Accounts receivable financing expense	135,701	194,507
Interest expenses	-	6,767
Lease liabilities (Note 21)	4,074,764	5,638,327
	4,210,465	5,839,601

Some of the Company's trade receivables are sold to a related corporation under an accounts receivable financing scheme arranged by a financial institution, with recourse to the Company.

6 Staff Costs and Emoluments of Directors

Staff costs (excluding directors' emoluments) consist of:

	2023 US$	2022 US$
Wages and salaries	12,754,597	12,591,031
Pension costs	1,235,695	1,075,181
Staff welfare and benefits	1,159,759	843,404
	15,150,051	14,509,616

The average monthly number of persons (including directors) employed during the year was:

	Monthly number of persons (including directors)	
	2023	2022
Operations	72	70
Directors	5	4
	77	74

Remuneration of directors of the Group is set out below:

	2023 US$	2022 US$
Short term employment benefits	453,068	500,499
Post-employment benefits	-	26,519

The emoluments of the highest paid director were US$380,102 (2022: US$444,931). No (2022: Two) directors received benefits under defined contribution pension schemes during the financial years.

7 Taxation

	2023 US$	2022 US$
Foreign taxes	53,468	52,915
Local tax – prior year under provision	4,647	19,668
	58,115	72,583

7 **Taxation** (cont'd)

	2023 US$	2022 US$
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	86,148,795	42,807,557
Tax at domestic rates applicable to income in the countries where the Group operates at average of 22.97% (2022: 19.48%)	14,475,851	24,202,211
Disallowable expenses	36,748	527,750
Exempt items	(15,317,717)	(24,040,007)
Tax losses carry forward/(utilised)	854,633	(494,368)
Other differences	3,953	(142,671)
Other taxes charges	4,647	19,668
	58,115	72,583

The corporation income tax rate applicable to the Company is 25% (2022: 19%). The Group's subsidiary companies are subject to corporate tax rates which range from 12.5% to 32.3% (2022: 12.5% to 33%) in the countries where the subsidiary companies operate.

As at the end of the financial year ended 31 December 2023, a subsidiary was granted the Singapore Approved International Shipping Enterprise Incentive ("AIS") in respect of its shipping operations by the Maritime Port Authority of Singapore. All revenue of US$287,296,540 (2022: US$333,922,977) derived from qualifying shipping operations is tax exempt.

The Group has UK taxable losses carried forward of US$4,164,362 (2022: US$2,924,905) against which any future UK taxable profits will be offset, thereby reducing the tax charge in the financial year the losses are utilised.

8 **Ultimate Holding Company**

The Group's immediate holding company is X-Press Feeders Limited, a company incorporated in the British Virgin Islands, which is also regarded by the directors as the Company's ultimate holding company. X-Press Feeders Limited is the largest and smallest level of group accounts being prepared. The beneficial owner of X-Press Feeders Limited is Nicholas Peter James Fella.

9 Property, Plant and Equipment

	ROU Leasehold Building	Freehold Land & Building	Renovations	Motor Vehicle, Office Equipment, Furniture & Fittings	Computers	ROU Vessels	Total
	US$	US$	US$	US$	US$	US$	US$
Group							
2023							
Cost							
At 1 January	120,712	2,637,711	514,473	191,858	277,090	187,105,487	190,847,331
Additions	985,057	18,423,901	-	187,032	80,580	3,359,775	23,036,345
Disposals	-	-	-	-	(11,502)	(105,286,092)	(105,297,594)
Lease modification	-	-	-	-	-	(5,620,917)	(5,620,917)
Revaluation	-	453,969	-	-	-	-	453,969
Effect of foreign currency exchange differences	-	390,302	11,954	7,622	4,657	-	414,535
At 31 December	1,105,769	21,905,883	526,427	386,512	350,825	79,558,253	103,833,669
Accumulated depreciation							
At 1 January	114,360	171,589	155,207	169,728	182,808	100,063,276	100,856,968
Charge for the year	125,171	36,349	54,638	30,610	60,193	42,137,405	42,444,366
Disposals	-	-	-	-	(11,502)	(85,498,303)	(85,509,805)
Revaluation	-	(137,154)	-	-	-	-	(137,154)
Effect of foreign currency exchange differences		178	4,161	3,348	4,348	-	12,035
At 31 December	239,531	70,962	214,006	203,686	235,847	56,702,378	57,666,410
Accumulated impairment							
At 1 January	-	-	-	-	-	35,626,258	35,626,258
Disposals	-	-	-	-	-	(16,880,169)	(16,880,169)
At 31 December	-	-	-	-	-	18,746,089	18,746,089
Net book value							
At 31 December	866,238	21,834,921	312,421	182,826	114,978	4,109,786	27,421,170

9 Property, Plant and Equipment (cont'd)

	ROU Leasehold Building US$	Freehold Land & Building US$	Renovations US$	Motor Vehicle, Office Equipment, Furniture & Fittings US$	Computers US$	ROU Vessels US$	Total US$
Group							
2022							
Cost							
At 1 January	120,712	2,638,300	565,315	221,862	263,034	102,474,774	106,283,997
Additions	-	-	47,086	9,040	88,019	84,630,713	84,774,858
Disposals	-	-	(78,386)	(30,012)	(67,861)	-	(176,259)
Effect of foreign currency exchange differences	-	(589)	(19,542)	(9,032)	(6,102)	-	(35,265)
At 31 December	120,712	2,637,711	514,473	191,858	277,090	187,105,487	190,847,331
Accumulated depreciation							
At 1 January	76,240	136,004	166,819	196,654	191,034	28,961,484	29,728,235
Charge for the year	38,120	35,855	24,660	6,540	52,536	71,101,792	71,259,503
Disposals	-	-	(31,300)	(28,349)	(54,955)	-	(114,604)
Effect of foreign currency exchange differences	-	(270)	(4,972)	(5,117)	(5,807)	-	(16,166)
At 31 December	114,360	171,589	155,207	169,728	182,808	100,063,276	100,856,968
Accumulated impairment							
At 1 January	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	35,626,258	35,626,258
At 31 December	-	-	-	-	-	35,626,258	35,626,258
Net book value							
At 31 December	6,352	2,466,122	359,266	22,130	94,282	51,415,953	54,364,105

9 Property, Plant and Equipment (cont'd)

	ROU Leasehold Building US$	Renovations US$	Motor vehicle, Office Equipment, Furniture & Fittings US$	Computers US$	Total US$
Company					
2023					
Cost					
At 1 January	120,712	36,724	10,815	81,902	250,153
Additions	170,847	-	-	4,169	175,016
Disposals	-	-	-	(11,502)	(11,502)
At 31 December	291,559	36,724	10,815	74,569	413,667
Accumulated depreciation					
At 1 January	114,359	35,389	9,553	50,085	209,386
Charge for the year	34,828	1,335	1,262	10,911	48,336
Disposals	-	-	-	(11,502)	(11,502)
At 31 December	149,187	36,724	10,815	49,494	246,220
Net book value					
At 31 December	142,372	-	-	25,075	167,447
2022					
Cost					
At 1 January	120,712	36,724	10,815	58,062	226,313
Additions	-	-	-	23,840	23,840
At 31 December	120,712	36,724	10,815	81,902	250,153
Accumulated depreciation					
At 1 January	76,239	27,376	7,390	39,099	150,104
Charge for the year	38,120	8,013	2,163	10,986	59,282
At 31 December	114,359	35,389	9,553	50,085	209,386
Net book value					
At 31 December	6,353	1,335	1,262	31,817	40,767

9 **Property, Plant and Equipment** (cont'd)

(a) The properties of the Group are located in Barcelona and Panama.

The properties in Barcelona are comprised of six office units with a combined floor area of 451.56 square metres on the 14th floor of a high-rise building. The properties are freehold. Three units were acquired in March 2014 and the other three units in July 2018.

The property in Panama is comprised of one unit with floor area of 339 square metres on the 61st floor of a high-rise building. The property is freehold. This property was acquired in March 2018.

(b) The Group revalues its properties every three years and the last revaluation was in December 2020.

The freehold properties in Barcelona have a combined fair value of US$1.89 million (2022: US$2.00 million) determined on the basis of the valuation carried out by an independent property valuer, Técnicos en Tasación S.A. on 28 December 2023.

The freehold property in Panama has a fair value of US$1.10 million (2022: US$0.93 million) determined on the basis of the valuation carried out by an independent property valuer, Avaistmo on 07 November 2023.

Management has made a judgement that the fair values of the properties of the Group at year end did not differ significantly from the valuation reports.

The following table shows the significant observable input used in the valuation model:

Description	Valuation technique	Significant observable input
Freehold properties	Open Market Valuation (Level 2)	Quoted prices for similar assets in active markets

(c) If the properties in Barcelona and Panama had not been revalued, they would have been included in the financial statements at the following amounts:

	Freehold land & buildings	
	2023	2022
	US$	US$
Cost	1,861,393	1,861,393
Less: accumulated depreciation	(515,743)	(502,061)
Net book value	1,345,650	1,359,332

10 Investment in Subsidiary Companies

	Company 2023 US$	Company 2022 US$
Unquoted shares, at cost		
At 1 January	1,967,056	3,359,584
Additions during the year	-	1,009
Disposed during the year	-	(1,393,537)
At 31 December	1,967,056	1,967,056

The details of the subsidiary companies as at 31 December are:

Name of Company, country of incorporation and country of operation	Principal activities	Equity held by the Company 2023 %	Equity held by the Company 2022 %	Cost of investment by the Company 2023 US$	Cost of investment by the Company 2022 US$
X-Press Feeders Agency GmbH # Germany **	Shipping agency	100	100	34,107	34,107
Feroday Associates Limited Cyprus @#	Shipping agency	100	100	106	106
X-Press Shipping Agency Panama S.A Panama **	Shipping agency	100	100	10,000	10,000
Duxton Property S.L Spain **#	Ownership and letting of properties	100	100	721,722	721,722
X-Press Container Line (Singapore) Pte. Ltd. Singapore *	Container Feeder	100	100	1,200,111	1,200,111
X-Press Feeders Americas Panama S.A Panama >^	Shipping agency	100	100	1,000	1,000
Hico Ventures Limited United Kingdom ^	Advisory	80	80	10	10

10 Investment in Subsidiary Companies (cont'd)

Note:

*	Audited by Moore Stephens LLP, Singapore
**	Not quired to be audited in the country of incorporation
>	Audited by Baker Tilly
@	Dormant Company
$	Sold during the year – The impact is not material
^	Newly setup in the year
#	Functional currency not US Dollars

The Company received dividend income of US$66,000,000 (2022: US$89,160,000) from its subsidiary.

11 Interests in Joint Operations

The Group has entered into an incorporated joint operation agreement with its business partners. These agreements provide for cost and/or revenue sharing at an agreed percentage.

The Group has one joint operators in the business of provision of common feeder carrier services. The principal place of business of the joint operators are in Taiwan and Philippines. The share of proportionate of ownership interest is 50% (2022: 50%).

Summarised financial information in respect of the Group's interest in non-incorporated joint operations is set out below:

	Group	
	2023	2022
	US$	US$
Net assets/(Liabilities)	(2,272,354)	(2,869,723)
Revenue	6,024,631	12,354,493
Direct Operating Costs	(5,205,745)	(9,195,625)
Amount due from joint operations (Note 16)	-	-
Amount due to joint operations (Note 18)	-	2,934,239

There are no significant commitments or contingent liabilities outstanding in these joint operations as at 31 December 2023 and 2022.

12 Loan Payable

	Group	
	2023	2022
	US$	US$
Loan Payable		
Non-current	276,578	183,176
Current	53,121	53,736
	329,699	236,912
Repayable:		
- not later than one year	53,121	53,736
- later than one year but not later than five years	276,578	183,176
	329,699	236,912

The loan bears a variable interest rate of Euribor +2% and is unsecured and is payable yearly until 2025.

13 Financial Assets at Fair Value through Profit or Loss

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Investment in shares	11	11	11	11

The investment was acquired during the previous financial year and designated to measure at FVPL. It comprised of 10% equity shares in a vessel owning company. The Group has determined that the reported net asset value represents fair value at the end of the reporting period.

14 Inventories – at Cost

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Bunker fuel	4,666,430	6,354,802	27,738	410,121

15 Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Trade receivables	5,096,970	16,381,204	455,091	503,428
Amount due from agents	826,686	932,908	826,686	879,175
Other receivables	1,082,806	1,419,647	7,767,060	937
Deferred cost	218,228	10,222	-	-
Amount due from related parties	18,661,842	31,100,733	19,217,083	556,111
Deposits	161,307	59,261	12,869	12,869
Prepayments	782,796	1,315,207	51,654	356,990
	26,830,635	51,219,182	28,330,443	2,309,510
Less: Provision for doubtful debts	(243,866)	(1,152,090)	(27,736)	(103,149)
	26,586,769	50,067,092	28,302,707	2,206,361

Trade receivables are normally settled in 30 to 60 days. Trade receivables include an allowance for impairment of trade receivables of US$27,736 (2022: US$1,152,090) (see Note 22 (a)(ii)).

Other receivables mainly include owner account, vessel disbursement recoverable, and staff loans. Other receivables include an allowance for other receivables of US$216,130 (2022: US$ Nil) (see Note 22 (a)(ii)).

Amounts due from related parties and joint operations are unsecured, interest free and repayable on demand.

Deferred cost relates to invoices received from supplier for expenses to be incurred in the next financial year.

16 Share Capital

	Group and Company	
	2023	2022
	US$	US$
Authorised		
500,000 ordinary shares of GBP1	742,624	742,624
Allotted, called and fully paid up		
500,000 ordinary shares of GBP1	742,624	742,624

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

17 Trade and Other Payables

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Accrued vessel disbursements	7,416,145	12,845,048	534,656	1,668,795
Trade payables	7,088,101	6,151,034	84,060	636,809
Amounts due to agents	948,758	1,251,212	30,038	419,536
Amount due to joint operations (Note 11)	2,672,904	2,934,239	2,672,904	2,934,239
Other payables	73,296	84,191	23,487	27,897
Amount due to related parties	410,143	2,201,119	233,179	434,701
Accruals	5,328,857	5,882,494	634,944	910,410
Other provisions	8,173,451	4,599,188	-	-
Guarantee deposit	-	3,400,000	-	-
	32,111,655	39,348,525	4,213,268	7,032,387

Accrued vessel disbursements relate to the estimated outstanding vessels operating costs at the financial year-end.

Amounts due to related parties and joint operations are unsecured, interest-free and repayable on demand.

Guarantee deposit pertains to the security amount received from a customer in relation to a slot purchase agreement.

Other provisions relate to contractual disagreements with customers.

18 Amount due/(from) to the Holding Company

The amount due from the holding company is non-trade in nature, unsecured, interest-free and payable on demand.

	Amount due/(from) to the Holding Company	
	2023	2022
	US$	US$
Group		
Balance as at the beginning of the year	(34,367,145)	(48,516,624)
Offset balances during the year	(55,354,167)	(76,702,653)
Repayments during the year	31,908,453	90,852,132
Balance as at the end of the year	(57,812,859)	(34,367,145)
Net amount (received)/repaid (from)/to Holding Company	(20,538,094)	14,149,479

18 Amount due/(from) to the Holding Company (cont'd)

	Amount due/(from) to the Holding Company	
	2023	2022
	US$	US$
Company		
Balance as at the beginning of the year	(8,790,549)	2,792,541
Offset balances during the year	9,339,891	(101,834,590)
Repayments/(Proceeds) during the year	(549,342)	90,251,500
Balance as at the end of the year	-	(8,790,549)
Net amount repaid/(received) to/(from) Holding Company	8,790,549	(11,583,090)

19 Deferred Taxation

An amount of US$ 1,214,534 (2022: US$2,924,905) on taxable losses carried forward at the year-end has not been recognised on the grounds that its realisation is considered uncertain as to the timing and amount, based on current profitability and future cashflow projections.

20 Related Party Transactions

The Group had related party transactions in the year as follows:

		Group	
		2023	2022
		US$	US$
(a)	Costs recovery by a related subsidiary company	5,881,621	3,999,281
(b)	Charter hire expense payable to related subsidiary companies	23,451,681	43,213,009
(c)	Ship daily running cost	3,267	-
(d)	Agency income charged to a related subsidiary company	7,294,608	5,593,244
(f)	Accounts receivable financing cost	135,701	194,507
(g)	Key management remuneration		
	- short term employment benefits	2,796,287	1,957,267
	- post employment benefits	-	26,519
(h)	Dividends declared to Holding Company	41,000,000	92,790,000

Key management includes the directors of the Company as well as certain other members of the senior management team.

20 Related Party Transactions (cont'd)

Payables/(Receivables) subject to offsetting arrangement

The Company is a party in Group's Offsetting agreement wherein the amounts due from/to specific parties, as determined by the Offsetting agreements, at the year end are transferred to the holding company or lead offsetting company as defined in the agreement.

The receivables that are offset are as follows:

	Gross carrying amounts	Gross amounts offset in the statement of financial position	Net amounts in the statement of financial position
Group	US$	US$	US$
2023			
Amount due from holding company	(2,458,692)	(55,354,167)	(57,812,859)
Amount due from related companies	(91,217,389)	72,555,547	(18,661,842)
Amount due to related companies	17,611,523	(17,201,380)	410,143
	(76,064,558)	-	(76,064,558)
2022			
Amount due from holding company	42,335,508	(76,702,653)	(34,367,145)
Amount due from related companies	(265,930,292)	234,829,559	(31,100,733)
Amount due to related companies	160,328,025	(158,126,906)	2,201,119
	(63,266,759)	-	(63,266,759)
Company			
2023			
Amount due from holding company	(9,339,891)	9,339,891	-
Amount due from related companies	(23,592,892)	4,375,809	(19,217,083)
Amount due to related companies	13,948,879	(13,715,700)	233,179
	(18,983,904)	-	(18,983,904)
2022			
Amount due from holding company	93,044,041	(101,834,590)	(8,790,549)
Amount due from related companies	(112,056,796)	111,500,685	(556,111)
Amount due to related companies	10,100,796	(9,666,095)	434,701
	(8,911,959)	-	(8,911,959)

21 Lease

Group as Lessee

(a) Nature of the Group's leasing activities

As at the end of the financial year, the Group has one (2022: one) long term office lease and four (2022: thirteen) long term vessel charter hire contracts. The Group's obligations under these leases are secured by the lessor's title to the leased asset. Management has recognised these leases as right-of-use assets.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extensions options are reasonably certain to be exercised. Management has assessed these leases and concluded that the extension options would not be exercised. Therefore, had considered these leases as short-term leases.

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

The lease modification in the year is as a result of the re-assessment of existing ROU lease terms. This assessment resulted in the shortening of the lease term compared to that which was initially anticipated and accounted for.

(b) Carrying amount of right-of-use assets classified within property, plant and equipment.

	Group	
	2023	2022
	US$	US$
Vessels		
At 1 January	51,415,953	73,513,290
Additions in the year	3,359,775	84,630,713
Lease modification	(5,620,917)	-
Disposal	(2,907,620)	-
Depreciation	(42,137,405)	(71,101,792)
Impairment	-	(35,626,258)
At 31 December	4,109,786	51,415,953
Leasehold buildings		
At 1 January	6,352	44,472
Additions in the year	985,057	-
Depreciation	(125,171)	(38,120)
At 31 December	866,238	6,352

21 **Lease** (cont'd)

Group as Lessee (cont'd)

(c) Lease liabilities

	Group	
	2023	2022
Lease liabilities	US$	US$
Minimum lease payments due:		
- Not later than 1 year	23,795,417	61,250,402
- Later than 1 year but within 5 years	10,579,494	48,922,675
	34,374,911	110,173,077
Less:		
Future finance charges	(1,563,784)	(5,373,202)
Present value of financial lease liabilities	32,811,127	104,799,875

The present value of lease liabilities is analysed as follows:

	Group	
	2023	2022
	US$	US$
Not later than 1 year	22,447,626	57,503,042
Later than 1 year but within 5 years	10,363,501	47,296,834
	32,811,127	104,799,876

	2023	2022
	US$	US$
At 1 January	104,799,876	83,507,746
Additions	4,344,832	84,630,713
Lease modification	(5,620,917)	-
Disposal	(20,787,249)	-
Cash flows	(56,614,041)	(67,899,426)
Accretion of interest	4,074,764	5,638,327
Foreign currency exchange difference	2,613,862	(1,077,484)
At 31 December	32,811,127	104,799,876

(d) Amounts recognised in profit or loss

	Group	
	2023	2022
	US$	US$
Depreciation of right-of-use assets	(42,262,576)	(71,139,912)
Short-term leases and low value leases expenses	(74,276,758)	(72,759,402)
Interest expense on lease liabilities	(4,074,764)	(5,638,327)

21 Lease (cont'd)

Group as Lessee (cont'd)

(e) Other disclosures

	Group	
	2023	2022
	US$	US$
Total cash outflow for leases	(56,614,041)	(67,899,426)

22 Risk and Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's activities are exposed to capital risk, market risk (including currency risk, interest rate risk and charter hire risk), credit risk and liquidity risk. The management reviews and monitors the policies for managing each of these risks and they are summarised below.

(i) Capital risk

The Group's objectives when managing capital, which remain unchanged from prior year, are to safeguard the Group's ability to operate as a going concern in order to provide adequate returns to shareholder, to support the Group's stability and growth, and to provide capital for the purpose of strengthening the Group's financial management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The capital structure of the Group consists of share capital of US$742,624 and unsecured amounts due from the parent Group of US$57,812,859 (2022: US$34,367,145).

There were no externally imposed capital requirements that the Group needed to be in compliance with for the financial years ended 31 December 2023 and 2022.

22 Risk and Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should there be a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and contract assets. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group mainly transacts with high credit quality counterparties of at least an "A" rating by external credit rating companies, where the counterparties have AAA or AA credit ratings, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

<u>Trade receivables and contract assets</u>

The Group uses a provision rate to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The contract assets have substantially the same risk characteristics as the trade receivables from the same type of customers. Therefore, the Group has concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit losses on these financial assets are estimated using a provision rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Some of the Group's trade receivables are financed to banks, which are rated AA- to AA+ based on rating agency ratings, with no recourse to the Group.

22 Risk and Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies

(ii) Credit risk (cont'd)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under IFRS 9 as at 31 December 2023 are set out in the provision matrix as follows:

	Current** US$	Within 60 days** US$	61 to 90 days^ US$	More than 90 days^^ US$	Total US$
Group					
2023					
Trade receivables					
Expected loss rate	0.06%	0.65%	4.35%	3.74%	
Trade receivables, amount due from agents, amount due from joint operations and contract assets	11,214,564	1,844,504	184,357	17,225	13,260,650
Allowance for impairment	(7,116)	(11,955)	(8,020)	(645)	(27,736)
2022					
Trade receivables					
Expected loss rate	0.09%	3.60%	3.14%	58.91%	
Trade receivables, amount due from agents, amount due from joint operations and contract assets	20,717,664	1,095,825	775,605	1,814,517	24,403,611
Allowance for impairment	(19,343)	(39,405)	(24,352)	(1,068,990)	(1,152,090)
Company					
2023					
Trade receivables					
Expected loss rate	0.41%	18.37%	92.28%	100%	
Trade receivables, amount due from agents, amount due from joint operations and contract assets	1,716,027	65,083	8,691	645	1,790,446
Allowance for impairment	(7,116)	(11,955)	(8,020)	(645)	(27,736)
2023					
Trade receivables					
Expected loss rate	0.97%	100.00%	100.00%	100.00%	
Trade receivables, amount due from agents, amount due from joint operations and contract assets	1,999,066	39,405	24,352	20,048	2,082,871
Allowance for impairment	(19,344)	(39,405)	(24,352)	(20,048)	(103,149)

22 **Risk and Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(ii) *Credit risk* (cont'd)

Trade receivables and contract assets (cont'd)

Note:
** rated as performing
^ rated as under-performing
^^ rated as non-performing

For debts not past due 90 days, management has considered forward-looking information and determined that there is no significant increase in credit risk since initial recognition. Management has access to historical evidence that demonstrates that there is no correlation between a significant increase in the risk of a default occurring and financial assets on which payments are not past due.

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's and the Company's other financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
Group					
2023					
Other receivables (Note 16)	Note 1	12-month ECL	1,082,806	(216,130)	866,676
Amount due from related companies (Note 16)	Note 1	12-month ECL	18,661,842	-	18,661,842
2022					
Other receivables (Note 16)	Note 1	12-month ECL	1,419,647	-	1,419,647
Amount due from related companies (Note 16)	Note 1	12-month ECL	31,100,733	-	31,100,733

22 **Risk and Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

Credit risk exposure and significant credit risk concentration (cont'd)

The credit quality of the Group's and the Company's other financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows: (cont'd)

	Internal credit rating	ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
Company					
2023					
Other receivables (Note 16)	Note 1	12-month ECL	7,767,060	-	7,767,060
Amount due from related companies (Note 16)	Note 1	12-month ECL	19,217,083	-	19,217,083
2022					
Other receivables (Note 16)	Note 1	12-month ECL	937	-	937
Amount due from related companies (Note 16)	Note 1	12-month ECL	556,111	-	556,111

Note 1 – The Group have applied the general approach in IFRS 9 to measure the loss allowance at 12-month ECL.

(iii) Interest rate risk

The Group and the Company have cash balances placed with reputable banks and financial institutions. Such balances are placed on varying maturities and generate interest income for the Group and the Company. The Group and the Company manage its interest rate risks by placing such balances on varying maturities and interest rate terms. The Group and the Company have no interest-bearing financial liabilities.

22 Risk and Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(iv) Currency risk

The Group operates throughout Europe and South America. The Group regularly transacts in currencies other than their functional currency which is the United States dollar ("USD").

Currency risk arises when transactions are denominated in foreign currencies. The Group did not use derivative financial instruments during the financial year to protect itself against the volatility associated with foreign currency transactions and investments, and other financial assets and liabilities created in the ordinary course of business. To manage the currency risk, the Group has maintained different foreign currency denominated bank accounts utilising them in the day to day operations to reduce the Group's exposure to foreign currency risk, and the management monitors exposure closely to ensure that the risk is minimised.

The Group's and Company's currency exposure based on the information provided to key management is as follows:

	2023		2022	
	Euro	Others	Euro	Others
	US$	US$	US$	US$
Group				
Net financial assets/(liabilities)	5,033,822	514,315	(12,391,164)	(277,358)
Company				
Net financial assets/(liabilities)	461,406	1,937,143	(2,194,843)	524,067

If exchange rates weakened against the United States dollar by 10% with all other variables including the tax rate being held constant, the profit arising from the net financial asset position will be affected by gains/(losses) as follows:

	2023	2022
	US$	US$
Group		
Euro	503,382	(1,239,116)
Others	51,431	(277,35)
Company		
Euro	46,141	(219,484)
Others	193,714	52,407

A 10% strengthening of the United States dollar against Euro and others would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

22 **Risk and Financial Instruments** (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(v) Liquidity risk

The Group manages its liquidity risk by ensuring it has sufficient cash balances to meet its payment obligations as they fall due.

The Group closely monitors its exposure to liquidity risk by reviewing the cash position report weekly.

The Group is exposed to liquidity risk primarily through its lease liabilities. This risk is managed by ensuring that cash flows generated from operating activities are adequate to meet lease payment obligations as they become due.

(vi) Charter hire risk

The Group's earnings are exposed to rate fluctuations in the charter hire market. The Group's Fleet Management Department, with advice from ship brokers, monitors the charter hire market on an on-going basis. The Group fixes its charter rates and tenures that minimise the Group's exposure to charter hire market fluctuations. If the vessel charter rates increased by 1%, the charter hire expenses would have increased by US$703,221 (2022: US$733,347).

(b) Fair Value Measurements

Fair value of lease liabilities

The fair value of the non-current lease liabilities is determined by discounted expected cash flows. The discount rate used is based on the market rate for similar instruments as at the statement of financial position date.

Other financial assets and financial liabilities

The fair values of current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturities of these instruments.

(c) General

The Company is a limited liability company domiciled and incorporated in the United Kingdom. The Company's principal activities are the chartering of vessels for the purpose of providing container feeder and related services.

The address of its registered office is Ground Floor, The Quay 30 Channel Way, Ocean Village, Southampton, United Kingdom, SO14 3TG.

23 **Dividends**

During the financial year, the Company declared a dividend of US$41,000,000 (2022: US$92,790,000).

24 Contingencies

The Group is involved, from time to time in the course of its business, in disputes resulting from its operating activities which may or may not result in legal action being taken by or against the Group. Where possible, it mitigates the risks of loss arising from any such disputes by appropriate insurance coverage.

After consultation with its legal advisers, the Group considers that the outcome of the disputes in which it is currently involved will not be such as to have a material adverse impact on its financial position. The Group recognised a total provision for legal costs amounting to US$ Nil (2022: US$Nil).

25 Commitments

As at 31 December 2023, the Group had unrecognised operating lease commitments of US$ 107,616 (2022: US$ 160,000) for office and equipment rental and US$ 20,594,494 (2022: US$ 890,000) for vessels charter hire.

26 Events after the Reporting Date

No significant events after reporting period.

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

THE FOLLOWING DETAILED INCOME STATEMENT

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 US$	2022 US$
REVENUE		
Freight income	10,381,492	28,697,847
Sub-charter hire income	1,131,950	725,776
	11,513,442	29,423,623
LESS: COST OF SALES		
Bunkers	1,718,090	2,379,330
Charter hire	3,254,298	6,613,314
Port costs	193,728	111,277
Slot charges	9,060,326	10,862,859
Cargo expenses	61,549	21,841
Agency commission and vessel incentive costs	143,191	289,809
Vessel insurance	-	(9,731)
Other operating costs	(7,046)	(7,227)
Ship management costs	3,267	-
Damage claims	99,608	(13,015)
Write back of impairment loss on trade receivables - net	(75,412)	28,595
	14,451,599	20,277,052
GROSS (LOSS)/PROFIT	(2,938,157)	9,146,571

X-PRESS CONTAINER LINE (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

(cont'd)

	2023 US$	2022 US$
GROSS (LOSS)/ PROFIT BROUGHT FORWARD	(2,938,157)	9,146,571
LESS: ADMINISTRATIVE EXPENSES		
Advertisement and promotion	-	644
Audit fees	35,816	40,614
Bank charges	11,749	30,282
Cleaning expenses	7,250	5,936
Communication expenses	16,254	25,674
Consultancy fees	18,514	35,782
Computer expenses	6,195	5,607
Cost recovery	463,807	447,585
Depreciation	48,336	59,282
Corporate Social Responsibility	722,884	4,715,607
Entertainment	29,580	15,895
General expenses	7,925	7,674
Gifts and promotion	55,332	43,056
Legal and professional fees	20,804	80,462
Miscellaneous cost	886	1,075
Newspapers and periodicals	1,776	2,457
Office & office equipment rental	27,486	28,682
Printing, stationery and courier	986	1,986
Salaries, bonus and pension costs	1,939,410	2,036,510
Staff welfare	158,218	129,313
Taxation services	5,124	5,586
Transport and traveling expenses	60,717	58,946
	3,639,049	7,778,655
LESS/(ADD): OTHER OPERATING EXPENSE/(INCOME)		
Cost recovery income	(1,937,339)	(2,227,751)
Dividend income	(66,000,000)	(89,160,000)
Finance income - interest income	(185)	(8,505)
Foreign exchange (loss)/gain	(4,643)	1,071,776
Loss on disposal of shares	-	1,090,639
	(67,942,167)	(89,233,841)
LESS/(ADD): FINANCE EXPENSE	10,475	13,586
PROFIT BEFORE TAXATION	61,354,486	90,588,171