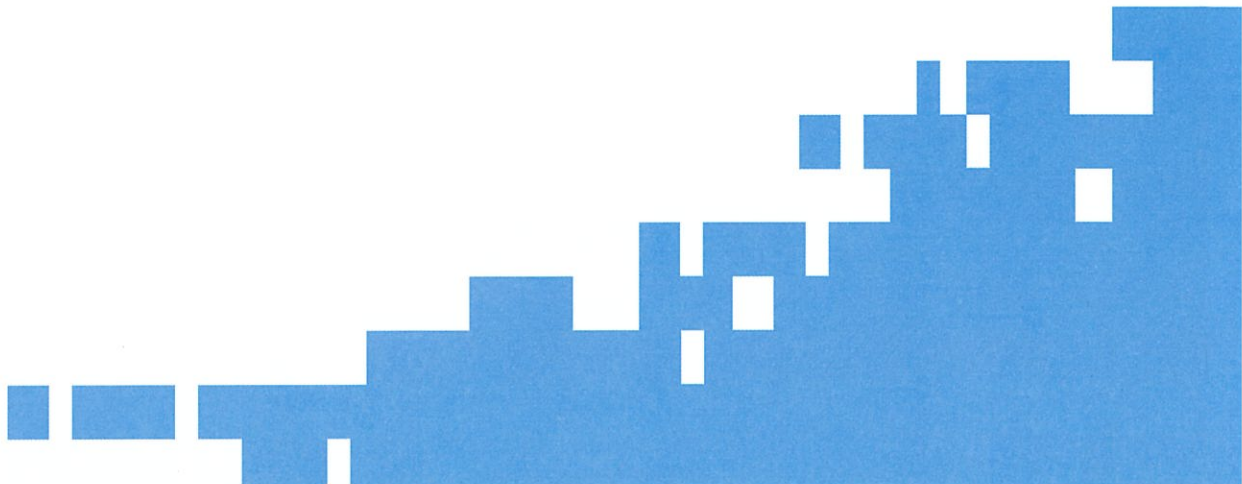


BUSS GLOBAL HOLDINGS PTE. LTD.

(Registration No: 201130802Z)

Statement by Directors and Financial Statements

Year Ended 31 December 2023



BUSS GLOBAL HOLDINGS PTE. LTD.

Statement by Directors and Financial Statements

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BUSS GLOBAL HOLDINGS PTE. LTD.

Statement by Directors

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2023.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Wong Chit Kwong
Dr. Johann Killinger
Dr. Dirk Klaus Baldeweg

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 ("the Act") except as follows:

| <u>Name of directors and companies in which interests are held</u> | <u>Direct interest</u> | |
|--|---|-------------------------------------|
| | <u>At beginning of the reporting year</u> | <u>At end of the reporting year</u> |
| <u>The Company</u> | | |
| Wong Chit Kwong | 496 | 496 |
| Dr. Johann Killinger | 4,577 | 4,577 |
| Dr. Dirk Klaus Baldeweg | 4,577 | 4,577 |

BUSS GLOBAL HOLDINGS PTE. LTD.

3. Directors' interests in shares and debentures (cont'd)

| <u>Name of directors and companies in which interests are held</u> | <u>Direct interest</u> | |
|--|---|---|
| | <u>At beginning of the reporting year</u> | <u>At end of the reporting year</u> |
| | <u>Number of class C shares of no par value</u> | |
| Wong Chit Kwong | 15,838 | 15,838 |

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

BUSS GLOBAL HOLDINGS PTE. LTD.

6. Independent auditor

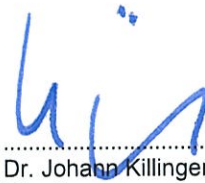
RSM SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

On behalf of the directors



.....
Wong Chit Kwong
Director

14 AUG 2024



.....
Dr. Johann Killinger
Director

RSM SG Assurance LLP

8 Wilkie Road, #03-08, Wilkie Edge
Singapore 228095

T +65 6533 7600

Assurance@RSMSingapore.sg
www.RSMSingapore.sg

**Independent Auditor's Report to the Members of
BUSS GLOBAL HOLDINGS PTE. LTD.**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Buss Global Holdings Pte. Ltd., (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of BUSS GLOBAL HOLDINGS PTE. LTD.

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Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

**Independent Auditor's Report to the Members of
BUSS GLOBAL HOLDINGS PTE. LTD.**

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

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.



RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

14 August 2024

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2023**

| | Notes | <u>2023</u> \$ | <u>2022</u> \$ |
|--|-------|-------------------|-------------------|
| Revenue | 4 | 5,074 | 4,665 |
| Cost of sales | | (2,354) | (2,429) |
| Gross profit | | 2,720 | 2,236 |
| Interest income | 6 | 548 | 809 |
| Other gains | 5 | 4,181 | 11,108 |
| Administrative expenses | | (3,323) | (3,022) |
| Finance costs | 7 | (835) | (1,204) |
| Other losses | 5 | (8,916) | (4,232) |
| Share of profit from partnerships | | – | 57 |
| Share of profit from associates | 14 | 2,624 | 1,075 |
| (Loss) / profit before tax from continuing operations | | (3,001) | 6,827 |
| Income tax benefit / (expense) | 9 | 15 | (143) |
| (Loss) / profit from continuing operations for the year | | (2,986) | 6,684 |
| <u>Other comprehensive (loss) / income:</u> | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Re-measurements of employment benefits | | (20) | (19) |
| Other comprehensive loss for the year | | (20) | (19) |
| Total comprehensive (loss) / income for the year | | (3,006) | 6,665 |
| Total comprehensive (loss) / income attributable to: | | | |
| Owners of the parent | | (2,967) | 6,619 |
| Non-controlling interests | | (39) | 46 |
| | | (3,006) | 6,665 |

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

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

**Statements of Financial Position
As at 31 December 2023**

| | Notes | Group | | Company | |
|--|-------|---------------|---------------|--------------|---------------|
| | | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| ASSETS | | | | | |
| <u>Non-current assets</u> | | | | | |
| Plant and equipment | 10 | 4,055 | 4,818 | – | – |
| Right-of-use assets | 12 | 252 | 304 | – | – |
| Investment in subsidiaries | 13 | – | – | 2,914 | 3,589 |
| Investment in associates | 14 | 9,947 | 15,297 | 6,248 | 14,222 |
| Derivative financial instruments | 22 | 1,446 | 2,063 | – | – |
| Receivables from finance leases | 15 | 2,731 | 3,867 | – | – |
| Trade and other receivables | 16 | 678 | 693 | – | – |
| Other assets | 17 | 14 | 13 | – | – |
| Deferred tax assets | 9 | 445 | 295 | – | – |
| Total non-current assets | | 19,568 | 27,350 | 9,162 | 17,811 |
| <u>Current assets</u> | | | | | |
| Derivative financial instruments | 22 | 1,529 | 354 | – | – |
| Trade and other receivables | 16 | 4,960 | 4,871 | 9 | 42 |
| Receivables from finance leases | 15 | 1,136 | 1,025 | – | – |
| Other assets | 17 | 235 | 204 | – | – |
| Cash and cash equivalents | 18 | 6,264 | 8,338 | 624 | 1,048 |
| Total current assets | | 14,124 | 14,792 | 633 | 1,090 |
| Total assets | | 33,692 | 42,142 | 9,795 | 18,901 |
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 19 | 33 | 33 | 33 | 33 |
| Retained earnings | | 17,331 | 20,298 | 12,054 | 17,809 |
| Capital reserve | 19 | (3,056) | (3,056) | (3,056) | (3,056) |
| Equity attributable to owners of the parent | | 14,308 | 17,275 | 9,031 | 14,786 |
| Non-controlling interests | | (1,014) | (975) | – | – |
| Total equity | | 13,294 | 16,300 | 9,031 | 14,786 |
| <u>Non-current liabilities</u> | | | | | |
| Trade and other payables | 20 | 754 | 759 | – | – |
| Other liabilities | 21 | 16 | 16 | – | – |
| Loans payable | 23 | 7,484 | 13,176 | 731 | 4,071 |
| Lease liabilities | 24 | 141 | 203 | – | – |
| Total non-current liabilities | | 8,395 | 14,154 | 731 | 4,071 |

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

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

**Statements of Financial Position (cont'd)
As at 31 December 2023**

| | | <u>Group</u> | | <u>Company</u> | |
|-------------------------------------|-------------|---------------|---------------|----------------|---------------|
| Notes | <u>2023</u> | | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | | \$ | \$ | \$ |
| <u>Current liabilities</u> | | | | | |
| Income tax payable | | 48 | 59 | – | – |
| Trade and other payables | 20 | 11,102 | 11,295 | 33 | 44 |
| Loans payable | 23 | 739 | 236 | – | – |
| Lease liabilities | 24 | 114 | 98 | – | – |
| Total current liabilities | | <u>12,003</u> | <u>11,688</u> | <u>33</u> | <u>44</u> |
| Total liabilities | | <u>20,398</u> | <u>25,842</u> | <u>764</u> | <u>4,115</u> |
| Total equity and liabilities | | <u>33,692</u> | <u>42,142</u> | <u>9,795</u> | <u>18,901</u> |

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

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

**Statements of Changes in Equity
Year Ended 31 December 2023**

| Group | Total equity | Attributable to parent sub-total | Share capital | Retained earnings | Capital reserve | Non- controlling interests |
|--|-------------------------|---|--------------------------|------------------------------|----------------------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Current year: | | | | | | |
| Opening balance at 1 January 2023 | 16,300 | 17,275 | 33 | 20,298 | (3,056) | (975) |
| Changes in equity: | | | | | | |
| Total comprehensive loss | (3,006) | (2,967) | – | (2,967) | – | (39) |
| Closing balance at 31 December 2023 | 13,294 | 14,308 | 33 | 17,331 | (3,056) | (1,014) |
| | | | | | | |
| Previous year: | | | | | | |
| Opening balance at 1 January 2022 | 33,159 | 34,180 | 6,479 | 27,821 | (120) | (1,021) |
| Changes in equity: | | | | | | |
| Dividend paid (Note 11) | (14,142) | (14,142) | – | (14,142) | – | – |
| Reduction of share capital (Note 19) | (9,382) | (9,382) | (6,365) | – | (3,017) | – |
| Cancellation of treasury shares (Note 19) | – | – | (81) | – | 81 | – |
| Total comprehensive income | 6,665 | 6,619 | – | 6,619 | – | 46 |
| Closing balance at 31 December 2022 | 16,300 | 17,275 | 33 | 20,298 | (3,056) | (975) |

The accompanying notes form an integral part of these financial statements

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

**Statements of Changes in Equity
Year Ended 31 December 2023**

| <u>Company</u> | <u>Total equity</u> \$ | <u>Share capital</u> \$ | <u>Retained earnings</u> \$ | <u>Capital reserve</u> \$ |
|--|----------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| Current year: | | | | |
| Opening balance at 1 January 2023 | 14,786 | 33 | 17,809 | (3,056) |
| Changes in equity: | | | | |
| Total comprehensive loss | <u>(5,755)</u> | <u>–</u> | <u>(5,755)</u> | <u>–</u> |
| Closing balance at 31 December 2023 | <u>9,031</u> | <u>33</u> | <u>12,054</u> | <u>(3,056)</u> |
| Previous year: | | | | |
| Opening balance at 1 January 2022 | 25,347 | 6,479 | 18,988 | (120) |
| Changes in equity: | | | | |
| Dividend paid (Note 11) | (14,142) | – | (14,142) | – |
| Reduction of share capital (Note 19) | (9,382) | (6,365) | – | (3,017) |
| Cancellation of treasury shares (Note 19) | – | (81) | – | 81 |
| Total comprehensive income | <u>12,963</u> | <u>–</u> | <u>12,963</u> | <u>–</u> |
| Closing balance at 31 December 2022 | <u>14,786</u> | <u>33</u> | <u>17,809</u> | <u>(3,056)</u> |

The accompanying notes form an integral part of these financial statements

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

Consolidated Statement of Cash Flows
Year Ended 31 December 2023

| | <u>2023</u> | <u>2022</u> |
|---|--------------|----------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| (Loss) / Profit before tax | (3,001) | 6,827 |
| Interest income | (137) | (381) |
| Interest expense | 835 | 1,204 |
| Share of profit from partnerships | – | (57) |
| Share of profit from associate | (2,624) | (1,075) |
| Depreciation of equipment | 757 | 1,349 |
| Depreciation of right-of-use asset | 108 | 113 |
| Disposal of investment in partnerships | – | 795 |
| Exchange difference | 288 | (965) |
| Allowance for impairment on investment in associate | 8,049 | – |
| Allowance for impairment of trade receivables | – | 8 |
| Gain on disposal of equipment | (6) | (8) |
| Changes in fair values of derivative financial instruments | 90 | (158) |
| Operating cash flows before changes in working capital | <u>4,359</u> | <u>7,652</u> |
| Trade and other receivables | (74) | 19,025 |
| Net investment in finance leases | 1,025 | 719 |
| Other assets | (32) | (154) |
| Trade and other payables | (846) | (30,351) |
| Cash restricted in use | <u>1,257</u> | <u>(4,751)</u> |
| Net cash flows from / (used in) operating activities before tax | <u>5,689</u> | <u>(7,860)</u> |
| Income tax paid | (166) | (331) |
| Net cash flows from / (used in) operating activities | <u>5,523</u> | <u>(8,191)</u> |
| Cash flows from investing activities | | |
| Return of capital from partnerships | – | 129 |
| Investment in associate | (75) | – |
| Return of capital from associate | – | 1,979 |
| Purchase of plant and equipment | (9) | (7,043) |
| Proceeds from plant and equipment | 21 | 23 |
| Interest received | <u>137</u> | <u>381</u> |
| Net cash flows from / (used) in investing activities | <u>74</u> | <u>(4,531)</u> |

The accompanying notes form an integral part of these financial statements

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollars (USD'000 or \$'000), except where otherwise noted)

Consolidated Statement of Cash Flows (cont'd)
Year Ended 31 December 2023

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| | \$ | \$ |
| Cash flows from financing activities | | |
| Reduction of share capital | – | (9,382) |
| Dividends paid | – | (14,142) |
| Loans from related parties | – | 229 |
| Repayment of loans from related parties | – | (2,091) |
| Loans from shareholders | – | 6,661 |
| Repayment of loans from shareholders | (5,471) | (7,565) |
| Loans from outside parties | – | 31 |
| Repayment of loan from outside parties | (4) | – |
| Interest paid | (835) | (1,204) |
| Lease liabilities - principal portion paid | (104) | (102) |
| Net cash flows used in financing activities | <u>(6,414)</u> | <u>(27,565)</u> |
| Net decrease in cash and cash equivalents | (817) | (40,287) |
| Cash and cash equivalents, beginning balance | 3,587 | 43,874 |
| Cash and cash equivalents, ending balance (Note 18A) | <u><u>2,770</u></u> | <u><u>3,587</u></u> |

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

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

Notes to the Financial Statements 31 December 2023

1. General

Buss Global Holdings Pte. Ltd. (the "Company" or the "parent") was incorporated in Singapore on 13 October 2011 with limited liability. The consolidated financial statements are presented in United States Dollars (USD or \$) and all values are rounded to the nearest thousand ('000), except where otherwise indicated and they cover the Company and its subsidiaries (together the "Group").

The board of directors approved and authorised these consolidated financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activity of the Company is that of investment holding. The principal activities of its associates and subsidiaries are stated in Notes 14 and 28 to the consolidated financial statements.

The Company is situated in Singapore and its registered office is at 72 Anson Road, #11-04 Anson House, Singapore 079911.

Macroeconomic conditions related disclosures

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the Group's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the Group obtains control of the investee and cease when the Group loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis and the Company's separate statement of profit or loss and other comprehensive income is not presented.

2A. Material accounting policy information and other explanatory information

Revenue and income recognition

General - Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the goods or services will be within one year.

Lease Income

Lease income arises from the rental of the equipment under operating leases to various international shipping lines and other transportation companies and is recorded when earned according to the terms of the rental contracts. The majority of the Group's operating leases are cancellable by the lessees, subject to certain restrictions and penalties. The Group recognised revenue on equipment leases on a time proportioned basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Revenue and income recognition (cont'd)

Rendering of Services

Revenue from the DPP Plans is recognised when earned (during the lease period under the daily plan, and at the time a container is returned under the lump-sum plan) and to recognise the related repair expense when incurred.

Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Other income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Interest income is recognised using the effective interest method.

Dividend income

Dividend from equity instruments is recognised in profit or loss only when the Group's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the Group; and the amount of the dividend can be measured reliably.

Government grant

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Foreign currency transactions

The functional currency is the United States Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

The Group provides post-employment benefits as required under the Manpower Act and its implementing regulation for a subsidiary in Indonesia. The liability recognised in the statement of financial position represents the present value of employee benefits at the end of the reporting year in accordance with its implementing regulation, net of fair value of pension plan assets, if any.

Actuarial gains or losses are recognised in other comprehensive income and adjustment of past service costs are recognised in profit or loss. Current service cost is recognised as a current period expense in profit or loss.

Defined benefit obligation is calculated by independent actuaries based on the projected unit credit method. The present value of employee benefits obligation is determined by discounting estimated future cash outflows based on the respective government bonds interest rate.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Income tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Subsidiaries which are incorporated in Bermuda are exempted from taxation in accordance with the provision of the Exempted Undertakings Tax Provision Act, 1966 as amended until 31 March 2035.

The Group is also subject to United States of America ("US") federal taxes as it is deemed to earn US sourced income on the containers that are physically present in the US.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor, each lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Damage protection plan (“DPP”)

The Group offers both daily and lump-sum damage protection plans (the DPP plans) to certain lessees of its equipment, whereby the Group agrees to pay some portion of the repair costs of damaged equipment that the lessee would otherwise be responsible for, as part of a lease agreement, in exchange for a certain fee paid by the lessees who have taken up a DPP plan.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual useful life of depreciation is over remaining lease term.

Plant and equipment

(i) Equipment

The Group purchases both new and used equipment. The equipment is stated at cost on initial recognition and is stated at cost less accumulated depreciation and any accumulated impairment losses for subsequent measurement.

The Group depreciates new equipment using the straight-line method over its estimated useful life from the date of manufacture, to an estimated dollar residual value.

The Group depreciates used equipment using the straight-line method over its estimated remaining useful life (equal to estimated useful life from its first in service date less the age of the container when acquired) to an estimated dollar residual value. Where the first in service date is not available, the manufacture date of the container will be used to determine the start-date for determining its remaining useful life.

When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation of such equipment is removed from the accounts and any resulting gain or loss is recognised in the determination of net income for the current period.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

The Group periodically reviews the carrying value of all long-lived assets and compares the carrying value of the assets to the expected future cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds future cash flows, the assets are reduced to fair value. The residual value and useful life of an asset is reviewed at least at each financial period-end and, if expectations differ significantly from previous estimates, the differences are accounted for as a change in an accounting estimates, by adjusting the depreciation charge for the current and future periods.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)**Plant and equipment (cont'd)****(i) Equipment (cont'd)**

The estimated residual value and useful life of the equipment are as follows:

| Equipment Type | From Inception – Residual Value in USD per unit of Equipment | Estimated Useful Life |
|--------------------|--|--------------------------|
| Offshore equipment | – | 8 – 15 years |

As of 31 December 2023, the average remaining useful life of the equipment is estimated to be as follows:

| Equipment Type | Average remaining useful life, in years | |
|--------------------|---|-----------|
| | 2023 | 2022 |
| Offshore equipment | 4.3 – 5.8 | 5.4 – 6.8 |

The Group's current policy on disposal of equipment limits the sale of equipment to those units that are not subject to a lease contract, are in low-demand locations for extended periods, and/or are severely damaged.

(ii) Other Equipment

Other equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets.

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 21 on non-current provisions.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Plant and equipment (cont'd)

(ii) Other Equipment (cont'd)

The useful lives of other equipment are as follows:

| | |
|-------------------------------|-------------|
| Furniture and Fittings | 3 – 4 years |
| Office and Computer Equipment | 3 – 8 years |
| Capitalised Software | 5 years |
| Vehicles | 8 years |

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group and the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the Company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate is not necessarily indicative of the amounts that would be realised in a current market exchange.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Non-controlling interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at the end of each reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At the end of each reporting year, non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Financial instruments (cont'd)

Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments four categories of financial assets and two categories for liabilities. At the end of the reporting year, the Group had the following categories:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically, trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurement are made at each reporting year end date.

Other specific material accounting policy information and other explanatory information

Provisions

A liability or provision is recognised when there is 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. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2A. Material accounting policy information and other explanatory information (cont'd)

Other specific material accounting policy information and other explanatory information (cont'd)

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the company. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Repurchased shares are classified as treasury shares. When treasury shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented in capital reserve and no gain or loss is recognised in profit or loss.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(i) Useful life and residual value of equipment

The depreciable cost of the equipment (cost minus residual value) is depreciated on a straight-line basis over each unit's estimated useful life. The Group annually reviews the estimated useful lives and residual values of the equipment, based on factors that include asset utilisation, anticipated use of the assets and anticipated market values of the assets. It is possible that results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. Changes in the expected level of usage and technological developments could also impact the useful lives and residual values of the equipment.

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(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

(ii) Impairment of equipment

Equipment is reviewed for impairment whenever there is an indication that the carrying value of any of the equipment may be impaired. An assessment is made for the reporting year whether there is any indication that the equipment may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the equipment. The recoverable amount of a unit of equipment is defined as the higher of its fair value less cost to sell and its value in use. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of equipment at the end of the reporting year is disclosed in Note 10.

(iii) Measurement of impairment of subsidiary

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is \$2,845.

(iv) Expected credit loss allowance on trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 16 on trade receivables.

(v) Leases

Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently changed unless there are changes to the contract documents. Contracts which transfer all significant risks and benefits associated with the underlying asset to the lessee are classified as finance leases. This usually applies to long-term lease contracts or where ownership is transferred to the lessee at the expiry of the lease term. All conditions in a contract are assessed and the classification depends to a certain extent on judgement based on the actual circumstances of the agreement. Uncertainty relating to the useful lives and residual values of assets and the impairment test principles is the same for assets held under finance leases as for own assets.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

(vi) Income tax amounts

The Group recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in Note 9.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Group to disclose: (a) related party relationships, transactions and outstanding balances including commitments; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Dr. Johann Killinger and Dr. Dirk Baldeweg, both of whom hold an equal shareholding in the Company. Related parties in these financial statements include the group of entities under Dr. Johann Killinger and Dr. Dirk Baldeweg by virtue of their controlling shareholding in the individual entities.

3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

3. Related party relationships and transactions (cont'd)**3A. Related party transactions (cont'd)**

Significant related party transactions:

| <u>Group</u> | <u>Related Parties</u> | |
|------------------------|------------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Management fee income | – | 12 |
| Rental income | – | 9 |
| Service fee income | 500 | 523 |
| Service fee expense | (309) | (449) |
| Interest income | – | 361 |
| Interest expense | (823) | (1,044) |
| Purchase of containers | – | (1,177) |
| | <u>–</u> | <u>(1,177)</u> |

3B. Key Management Compensation

| | <u>Group</u> | |
|---|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Salaries and other short-term employee benefits | 722 | 675 |
| Compensation for loss of office | 106 | – |
| Fees paid to directors of the subsidiaries of the Group | 9 | 8 |
| Director's fees | 22 | – |
| | <u>859</u> | <u>683</u> |

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The above amounts for key management compensation are for certain directors and other key management personnel.

3C. Other receivables from / (payables to) related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from / (payables to) related parties are as follows:

| <u>Group</u> | <u>Related Parties</u> | |
|---|------------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Other receivables / (payables): | | |
| Balance at beginning of year | (4,204) | (32,428) |
| Amounts paid out and settlement of liabilities on behalf of related parties | (3,284) | (5,721) |
| Amounts paid in and settlement of liabilities on behalf of the Company | 2,356 | 33,945 |
| Balance at end of year | <u>(5,132)</u> | <u>(4,204)</u> |

Presented in the statement of financial position as follows:

| | | |
|-----------------------------|----------------|----------------|
| Other receivables (Note 16) | 1 | 1 |
| Other payables (Note 20) | (5,133) | (4,205) |
| Balance at end of year | <u>(5,132)</u> | <u>(4,204)</u> |

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

4. Revenue

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|------------------------------------|--------------|--------------|--------------|
| | \$ | | \$ |
| Leasing revenue: | | | |
| - Transportation equipment leasing | 4,096 | | 3,668 |
| - Equipment management fees | - | | 5 |
| Non-leasing revenue: | | | |
| - Service fee | 875 | | 889 |
| - Other income | 103 | | 103 |
| | <u>5,074</u> | | <u>4,665</u> |

5. Other gains and (other losses)

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|----------------|--------------|--------------|
| | \$ | | \$ |
| Foreign exchange adjustment loss | (219) | | (447) |
| Gain on disposal of equipment, net | 6 | | 8 |
| Unrealised gain on fair value changes in derivative instruments (Note 22) | 558 | | 2,417 |
| Unrealised loss on fair value changes in derivative instruments (Note 22) | (648) | | (2,259) |
| Realised gain on fair value changes in derivative instruments | 112 | | - |
| Rental income | - | | 9 |
| Allowance for impairment of trade receivables (Note 16) | - | | (8) |
| Dividend income | 3,314 | | 8,674 |
| Impairment on investment in an associate (Note 14) | (8,049) | | - |
| Loss on disposal of investment in partnerships | - | | (795) |
| Others | 191 | | (723) |
| | <u>(4,735)</u> | | <u>6,876</u> |
| Presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as: | | | |
| Other gains | 4,181 | | 11,108 |
| Other losses | (8,916) | | (4,232) |
| | <u>(4,735)</u> | | <u>6,876</u> |

6. Interest income

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|------------------------------|-------------|--------------|-------------|
| | \$ | | \$ |
| Interest income | 137 | | 381 |
| Net gain from finance leases | 411 | | 428 |
| | <u>548</u> | | <u>809</u> |

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

7. Finance costs

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--------------------------------------|-------------|--------------|--------------|
| | \$ | | \$ |
| Interest expense | 828 | | 1,203 |
| Interest expense – lease liabilities | 7 | | 1 |
| | <u>835</u> | | <u>1,204</u> |

8. Employee benefit expense

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|--------------|--------------|--------------|
| | \$ | | \$ |
| Employee benefits expense | 1,968 | | 1,675 |
| Contributions to defined contribution plan | 79 | | 75 |
| Contributions to defined benefits plan | 19 | | (23) |
| Total employee benefits expense | <u>2,066</u> | | <u>1,727</u> |

These amounts form part of the Administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

9. Income tax**9A. Components of tax expense (benefit) recognised in profit or loss:**

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--------------------------------------|--------------|--------------|--------------|
| | \$ | | \$ |
| Current tax expenses: | | | |
| Income tax expense | 135 | | 119 |
| Adjustments in respect of prior year | – | | 141 |
| Subtotal | <u>135</u> | | <u>260</u> |
| Deferred tax (benefit) / expense: | | | |
| Deferred tax benefit | (151) | | (94) |
| Adjustments in respect of prior year | 1 | | (23) |
| Subtotal | <u>(150)</u> | | <u>(117)</u> |
| Total income tax (benefit) / expense | <u>(15)</u> | | <u>143</u> |

The Group is subject to United States of America (“US”) federal taxes as it is deemed to earn US sourced income on the containers that are physically present in the US.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

9. Income tax (cont'd)**9A. Components of tax expense (benefit) recognised in profit or loss: (cont'd)**

The Group's income tax expense varied from the amount of income tax expense that would have been determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before income tax as a result of the following differences:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|----------------|--------------|--------------|
| | \$ | | \$ |
| Tax rate reconciliation: | | | |
| (Loss) / profit before tax | (3,001) | | 6,827 |
| Share of profit from equity-accounted associate | (2,624) | | (1,075) |
| | <u>(5,625)</u> | | <u>5,752</u> |
| Income tax (benefit) / expense at the above rate | (956) | | 978 |
| Income not subject to tax | (369) | | (2,551) |
| Non allowable items | 1,314 | | 1,196 |
| Difference in tax rate | – | | 9 |
| Group relief transfer in | – | | 379 |
| Adjustments to tax in respect of prior periods | 1 | | 118 |
| Others | (5) | | 14 |
| Total income tax (benefit) / expense | <u>(15)</u> | | <u>143</u> |

9B. Deferred tax (benefit) / expense recognised in profit or loss includes:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|--------------|--------------|--------------|
| | \$ | | \$ |
| Excess of net book value over tax written down value | (240) | | (195) |
| Unused tax losses available | (78) | | (274) |
| Unused capital allowances | 24 | | 248 |
| Deferred US federal tax | 1,102 | | (28) |
| Deferred tax valuation allowance | (958) | | 132 |
| Total deferred tax income | <u>(150)</u> | | <u>(117)</u> |

9C. Deferred tax balances in statement of financial position

The deferred tax amounts are as follows:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|-------------|--------------|-------------|
| | \$ | | \$ |
| Excess of net book value over tax written down value | 677 | | 437 |
| Unused tax losses available | 347 | | 269 |
| Unused capital allowances | 279 | | 303 |
| Deferred US federal tax | 246 | | 1,348 |
| Deferred tax valuation allowance | (1,104) | | (2,062) |
| Net deferred tax assets | <u>445</u> | | <u>295</u> |

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

9. Income tax (cont'd)**9C. Deferred tax balances in statement of financial position (cont'd)**

The realisation of the future income tax benefits from tax loss carry forwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Presented in the Statement of Financial Position as follows:

| | <u>Group</u> | |
|---------------------|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Deferred tax assets | 445 | 295 |
| Net balance | <u>445</u> | <u>295</u> |

10. Plant and equipment

| Group | <u>Containers</u> | <u>Furniture, fittings and renovations</u> | <u>Computer and office equipment</u> | <u>Capitalised software</u> | <u>Vehicles</u> | <u>Total</u> |
|----------------------------------|-------------------|--|--------------------------------------|-----------------------------|-----------------|--------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <u>Cost:</u> | | | | | | |
| At 1 January 2022 | 10,938 | 147 | 146 | 1,782 | 121 | 13,134 |
| Additions | 6,997 | 1 | 6 | – | 39 | 7,043 |
| Disposals | (137) | (1) | (14) | (27) | – | (179) |
| Transfer to finance lease | (6,490) | – | – | – | – | (6,490) |
| At 31 December 2022 | 11,308 | 147 | 138 | 1,755 | 160 | 13,508 |
| Additions | – | 2 | 7 | – | – | 9 |
| Disposals | (16) | – | (3) | – | – | (19) |
| At 31 December 2023 | 11,292 | 149 | 142 | 1,755 | 160 | 13,498 |
| <u>Accumulated Depreciation:</u> | | | | | | |
| At 1 January 2022 | 5,403 | 120 | 127 | 1,782 | 73 | 7,505 |
| Depreciation for the year | 1,295 | 28 | 10 | – | 16 | 1,349 |
| Disposals | (122) | (1) | (14) | (27) | – | (164) |
| At 31 December 2022 | 6,576 | 147 | 123 | 1,755 | 89 | 8,690 |
| Depreciation for the year | 735 | 1 | 10 | – | 11 | 757 |
| Disposals | (1) | – | (3) | – | – | (4) |
| At 31 December 2023 | 7,310 | 148 | 130 | 1,755 | 100 | 9,443 |
| <u>Carrying Value:</u> | | | | | | |
| At 1 January 2022 | 5,535 | 27 | 19 | – | 48 | 5,629 |
| At 31 December 2022 | 4,732 | – | 15 | – | 71 | 4,818 |
| At 31 December 2023 | 3,982 | 1 | 12 | – | 60 | 4,055 |

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10. Plant and equipment (cont'd)

The depreciation expense and impairment losses are included in the following expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

| | <u>Cost of Sales</u> \$ | <u>Administrative Expenses</u> \$ | <u>Total</u> \$ |
|------|----------------------------|--|--------------------|
| 2023 | 746 | 11 | 757 |
| 2022 | 1,311 | 38 | 1,349 |

11. Dividends on equity shares

| | <u>Rate per share</u> | | | |
|--|-----------------------|-------------------|-------------------|-------------------|
| | <u>2023</u> \$ | <u>2022</u> \$ | <u>2023</u> \$ | <u>2022</u> \$ |
| Interim tax exempt (1-tier) dividend paid on class B shares | – | 59.54 | – | 14,142 |

12. Right-of-use assets

| | <u>Office Premise</u> \$ | <u>Building</u> \$ | <u>Total</u> \$ |
|----------------------------------|---------------------------------|-----------------------|--------------------|
| <u>Cost:</u> | | | |
| At 1 January 2022 | 301 | 41 | 342 |
| Additions | 301 | – | 301 |
| 31 December 2022 | 602 | 41 | 643 |
| Additions | – | 58 | 58 |
| Disposals | – | (41) | (41) |
| At 31 December 2023 | 602 | 58 | 660 |
| <u>Accumulated depreciation:</u> | | | |
| At 1 January 2022 | 200 | 26 | 226 |
| Depreciation for the year | 100 | 13 | 113 |
| At 31 December 2022 | 300 | 39 | 339 |
| Depreciation for the year | 102 | 8 | 108 |
| Disposals | – | (41) | (41) |
| At 31 December 2023 | 402 | 6 | 406 |
| <u>Carrying value:</u> | | | |
| At 1 January 2022 | 101 | 15 | 116 |
| At 31 December 2022 | 302 | 2 | 304 |
| At 31 December 2023 | 200 | 52 | 252 |

The right-of-use assets relate to the Group's lease contracts for an office premise and an office building. The related lease liabilities on the right-of-use assets are in Note 24.

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12. Right-of-use assets (cont'd)

The lease period for the office premise starts from 1 January 2023 for 3 years with extension option. The lease period for the office building starts from 2 July 2023 for 4 years with an additional 6 months complimentary period with extension option.

13. Investment in subsidiaries (unquoted)

| | <u>Company</u> | |
|--|----------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Cost at beginning of year | 3,589 | 5,408 |
| Return of contribution surplus | – | (1,000) |
| Allowance for impairment | (675) | – |
| Disposal of investment | – | (819) |
| Cost at end of year | <u>2,914</u> | <u>3,589</u> |
| Movements in allowance for impairment: | | |
| At beginning of the year | (2,005) | (2,922) |
| Impairment allowance charge to profit or loss included in other losses (a) | (675) | – |
| Disposal of investment | – | 917 |
| At end of the year | <u>(2,680)</u> | <u>(2,005)</u> |

The listing and information on the subsidiaries are given in Note 28.

(a) During the reporting year, the performance of certain subsidiaries was considered sufficient evidence to make provision or reversal of allowance for impairment. See below for the details:

| <u>Subsidiaries</u> | <u>Beginning balance</u> | <u>Charge to / (reversal from) profit or loss</u> | <u>Ending balance</u> |
|--------------------------------|--------------------------|---|-----------------------|
| Buss Global Management Pte Ltd | 894 | 515 | 1,409 |
| Buss Global Offshore Pte. Ltd | 979 | 292 | 1,271 |
| PT TD Energy Services | 132 | (132) | – |
| | <u>2,005</u> | <u>675</u> | <u>2,680</u> |

14. Investment in associates

| | <u>Group</u> | | <u>Company</u> | |
|----------------------------------|--------------|---------------|----------------|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| Balance at beginning of the year | 15,297 | 16,201 | 14,222 | 16,201 |
| Additions | 75 | – | 75 | – |
| Return of capital | – | (1,979) | – | (1,979) |
| Allowance for impairment | (8,049) | – | (8,049) | – |
| Share of profit for the year | 2,624 | 1,075 | – | – |
| Total at end of the year | <u>9,947</u> | <u>15,297</u> | <u>6,248</u> | <u>14,222</u> |

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14. Investment in associate (cont'd)

| | <u>Group</u> | | <u>Company</u> | |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| Movements in allowance for impairment: | | | | |
| At beginning of the year | – | – | – | – |
| Allowance for impairment charge to profit or loss included in other losses (a) | <u>(8,049)</u> | <u>–</u> | <u>(8,049)</u> | <u>–</u> |
| At end of the year | <u><u>(8,049)</u></u> | <u><u>–</u></u> | <u><u>(8,049)</u></u> | <u><u>–</u></u> |
| Carrying value comprising: | | | | |
| Unquoted equity shares at cost | 16,804 | 16,729 | 16,804 | 16,729 |
| Return of capital | (2,507) | (2,507) | (2,507) | (2,507) |
| Allowance for impairment | (8,049) | – | (8,049) | – |
| Share of post-acquisition gains | <u>3,699</u> | <u>1,075</u> | <u>–</u> | <u>–</u> |
| Total | <u><u>9,947</u></u> | <u><u>15,297</u></u> | <u><u>6,248</u></u> | <u><u>14,222</u></u> |

- (a) During the year, the performance of associate – GCA2016 Holdings Limited was considered sufficient evidence to trigger the impairment test and management recorded an impairment loss of \$8,049 to its recoverable amount.

The listing of and information on the associates are given below:

| <u>Name of associate, country of incorporation, place of operations and principal activities</u> | <u>Equity held</u> | |
|--|--------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | % | % |
| GCA2016 Holdings Limited (a) (b) Bermuda Investment Holding | 17.5% | 17.5% |
| CTIG Holdings Pte. Ltd. (c) Singapore Leasing of container equipment (incorporated on 2 January 2023) | 25% | – |

- (a) Equity accounted based on audited financial statements. Audited by RSM SG Assurance LLP, a member of RSM International.
- (b) The Group has assessed that it has significant influence over the associate although it holds less than 20% of the equity because under the shareholders' agreement, the Company has two seats on the board of this associate and participates in all significant financial and operating decisions.
- (c) Equity accounted based on unaudited financial statements.

During the reporting year, the Company invested USD 75,000 in the capital of CTIG Holdings Pte Ltd by way subscription for 75,000 ordinary shares of USD 1.00 each in the capital of CTIG Holdings Pte Ltd.

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14. Investment in associate (cont'd)

The following summarised financial information of the associates, which are not adjusted for the percentage of ownership held by the Group, as follows:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|---------------------|---------------|--------------|--------------|
| | \$ | | \$ |
| Assets | 229,320 | | 257,018 |
| Liabilities | 216,735 | | 240,786 |
| Revenue | 33,647 | | 37,693 |
| Profit for the year | <u>14,998</u> | | <u>6,140</u> |

15. Receivables from finance leases

The Group is the lessor of equipment under finance leases. The components of the net investment in finance leases as of 31 December 2023 consist of the following:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|--------------|--------------|----------------|
| | \$ | | \$ |
| Gross finance lease receivable | 4,549 | | 6,017 |
| Less: unearned income | <u>(682)</u> | | <u>(1,125)</u> |
| Net finance lease receivable | <u>3,867</u> | | <u>4,892</u> |
| Receivables from finance leases consists of: | | | |
| Current | 1,136 | | 1,025 |
| Non-current | <u>2,731</u> | | <u>3,867</u> |
| | <u>3,867</u> | | <u>4,892</u> |

There were no disposals of equipment under finance leases during the year.

The following is a schedule by year of future lease payments receivable under these finance leases as of 31 December 2023:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|---------------------------|--------------|--------------|--------------|
| | \$ | | \$ |
| Years ending 31 December: | | | |
| 2023 | — | | 1,468 |
| 2024 | 1,472 | | 1,472 |
| 2025 | 1,468 | | 1,468 |
| 2026 | 1,052 | | 1,052 |
| 2027 and after | <u>557</u> | | <u>557</u> |
| | <u>4,549</u> | | <u>6,017</u> |

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16. Trade and other receivables

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------|--------------|----------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| <u>Non-Current</u> | | | | |
| Trade receivables: | | | | |
| Outside parties | 1,073 | 1,088 | – | – |
| Less: Allowance for impairment | (395) | (395) | – | – |
| Total trade receivables, non-current | <u>678</u> | <u>693</u> | <u>–</u> | <u>–</u> |
| <u>Current</u> | | | | |
| Trade receivables: | | | | |
| Outside parties | 2,622 | 2,333 | – | – |
| Related parties | 15 | 15 | – | – |
| Less: Allowance for impairment | (24) | (29) | – | – |
| Subtotal | <u>2,613</u> | <u>2,319</u> | <u>–</u> | <u>–</u> |
| Other receivables: | | | | |
| Subsidiaries | – | – | (*) | 42 |
| Related parties (Note 3) | 1 | 1 | – | – |
| Outside parties (a) (b) | 2,346 | 2,551 | 9 | – |
| Subtotal | <u>2,347</u> | <u>2,552</u> | <u>9</u> | <u>42</u> |
| Total trade and other receivables, current | <u>4,960</u> | <u>4,871</u> | <u>9</u> | <u>42</u> |

(*) less than US\$1,000

- (a) The amount in 2023 includes margin deposits of \$2,282 (2022: \$2,282) placed with a financial institution for derivative financial instrument contracts for which \$2,082 (2022: \$1,774) relates to derivative financial instrument contracts entered on behalf of related parties (Note 22).
- (b) The Partnership had an arrangement with OEG Offshore AS (“OEG”) whereby the Partnership would lease offshore equipment from a bank and sub-lease them to OEG. The sub-lease arrangement with OEG was terminated on 31 December 2019. OEG agreed to reimburse the Partnership for the lease payments that were made to the bank between 2016 to 2019 and in turn, the outstanding receivables owing from OEG for the sub-lease of equipment would be written off. The total amount of lease payments to be reimbursed from OEG would be gradually repaid in quarterly instalments over a period of 3 years commencing 31 December 2020. The outstanding lease payment of \$55 (2022: \$267) as of 31 December 2023 has been fully repaid in January 2024.

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 24 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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16. Trade and other receivables (cont'd)

The following is an ageing of trade accounts receivables:

| <u>Group</u> | <u>Gross carrying amount</u> | | <u>Loss allowance provision</u> | |
|----------------------|------------------------------|---------------------|---------------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| Up to 30 days | 1,195 | 435 | 6 | 2 |
| 31 days to 60 days | 286 | 666 | 3 | 7 |
| 61 days to 90 days | 166 | 459 | 3 | 7 |
| More than 90 days | <u>2,063</u> | <u>1,876</u> | <u>407</u> | <u>408</u> |
| Total ⁽¹⁾ | <u><u>3,710</u></u> | <u><u>3,436</u></u> | <u><u>419</u></u> | <u><u>424</u></u> |

⁽¹⁾ Approximately 57% of the outstanding balance of trade receivables as of 31 December 2023 were collected by 30 June 2024.

The movement in the allowance for expected credit losses of trade receivables computed based on lifetime ECL in accordance to FRS 109 is as follows:

| | <u>Group</u> | |
|---|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Movements in allowance account: | | |
| Balance at beginning of year | 424 | 489 |
| Charge to profit or loss included in other losses | – | 8 |
| Used | <u>(5)</u> | <u>(73)</u> |
| Balance at end of year | <u><u>419</u></u> | <u><u>424</u></u> |

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

The Group's largest manager comprises approximately 61% (2022: 61%) of the Group's net accounts receivable balance. The age of the accounts receivable balances is determined by the number of days from date of issuance of each invoice.

The Group's total net accounts receivable balance as of 31 December 2023 is collected in the following ways:

1. approximately 42% (2022: 43%) of the Group's total gross accounts receivable balance as of 31 December 2023 is collected on a "cash settlement" basis, whereby the Group receives cash from the managers only when the lessees make payments to these managers, and

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16. Trade and other receivables (cont'd)

The Group's total net accounts receivable balance as of 31 December 2023 is collected in the following ways: (cont'd)

- approximately 58% (2022: 57%) of the Group's total gross accounts receivable balance as of 31 December 2023 is collected on an "accrual" basis, whereby the Group receives the invoiced amounts from the Managers within a 60-day period after the invoice dates, regardless of whether the lessees have paid the Manager; however, should any of these lessees default, the Managers are entitled to recover amounts previously paid on behalf of such lessees from the Group.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to non-related party trade receivable customers is in the range of 30-90 days. However, notwithstanding the agreed credit terms some lessees take a longer period to settle the amounts.

The Group's top three trade receivables accounted for approximately 89% (2022: 68%) of the total trade receivables. One customer accounted for more than 55% (2022: 53%) of the Group's receivables in 2023.

As of 31 December 2023, the future minimum rent receivables under operating leases with terms greater than twelve months (long-term leases) are as follows:

| | <u>Group</u> | |
|---------------------------|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Years Ending 31 December: | | |
| 2023 | – | 7 |
| 2024 | 5 | 6 |
| 2025 | 5 | 6 |
| 2026 | 5 | 7 |
| 2027 and after | 46 | 51 |
| Total | <u>61</u> | <u>77</u> |

Other receivables from outside parties can be graded as low risk individually. Other receivables from related parties normally have no fixed term and therefore there is no maturity date. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term.

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

17. Other assets

| | <u>Group</u> | |
|---|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Deposits | 107 | 33 |
| Prepayments | 78 | 19 |
| Prepaid taxes | 64 | 55 |
| Recoverable expenses | – | 90 |
| Advances | – | 20 |
| | <u>249</u> | <u>217</u> |
| Presented in the statement of financial position: | | |
| Current | 235 | 204 |
| Non-current | 14 | 13 |
| | <u>249</u> | <u>217</u> |

18. Cash and cash equivalents

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------|--------------|----------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| Not restricted in use | 2,770 | 3,587 | 624 | 1,048 |
| Cash held in trust on behalf of related parties ⁽¹⁾ | 3,494 | 4,751 | – | – |
| Cash at end of year | <u>6,264</u> | <u>8,338</u> | <u>624</u> | <u>1,048</u> |

The cash balance did not yield a material amount of interest income during the financial year.

⁽¹⁾ This relates to cash held in trust for Marine Container Management LP, Marine Container Management 2 LP and BCI 4 Partnership pursuant to trust agreements entered into on 31 May 2022, 30 November 2022 and 30 November 2022 respectively.

18A. Cash and cash equivalents in the statement of cash flows:

| | <u>Group</u> | |
|---|----------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Amount as shown above | 6,264 | 8,338 |
| Cash held on trust of behalf of related parties | <u>(3,494)</u> | <u>(4,751)</u> |
| Cash and cash equivalents for statement of cash flows purposes at end of the year | <u>2,770</u> | <u>3,587</u> |

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

19. Share capital

| | <u>Number of shares issued</u> | | | <u>Share capital</u> | | | <u>Total</u> |
|--|--------------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|--------------|
| | <u>Ordinary shares</u> | <u>Treasury shares</u> | <u>Preference shares</u> | <u>Ordinary shares</u> | <u>Treasury shares</u> | <u>Preference shares</u> | |
| | | | | \$ | \$ | \$ | \$ |
| <u>Class A shares of no par value</u> | | | | | | | |
| Balance at 1 January 2022, 31 December 2022 and 31 December 2023 | 10 | – | – | 9 | – | – | 9 |
| <u>Class A1 shares of no par value</u> | | | | | | | |
| Balance at 1 January 2022 | 2,958 | – | – | 2,958 | – | – | 2,958 |
| Reduction of share capital (a) | (2,958) | – | – | (2,958) | – | – | (2,958) |
| Balance at end of year 31 December 2022 and 31 December 2023 | – | – | – | – | – | – | – |
| <u>Class A2 shares of no par value</u> | | | | | | | |
| Balance at 1 January 2022 | 2,958 | 81 | 211 | 2,958 | 81 | 211 | 3,250 |
| Reduction of share capital (b) | (2,958) | – | (211) | (2,958) | – | (211) | (3,169) |
| Cancellation of treasury shares (c) | – | (81) | – | – | (81) | – | (81) |
| Balance at end of year 31 December 2022 and 31 December 2023 | – | – | – | – | – | – | – |
| <u>Class B shares of no par value:</u> | | | | | | | |
| Balance at 1 January 2022 | 238 | – | – | 238 | – | – | 238 |
| Reduction of share capital (d) | (238) | – | – | (238) | – | – | (238) |
| Balance at end of year 31 December 2022 and 31 December 2023 | – | – | – | – | – | – | – |
| <u>Class C shares of no par value:</u> | | | | | | | |
| Balance at 1 January 2022, 31 December 2022 and 31 December 2023 | 24 | – | – | 24 | – | – | 24 |
| Grand total | <u>34</u> | <u>–</u> | <u>–</u> | <u>33</u> | <u>–</u> | <u>–</u> | <u>33</u> |

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

19. Share capital (cont'd)

- (a) On 9 June 2022, the Company carried out a share capital reduction to cancel 2,958 class A1 ordinary shares for a cash consideration of \$4,519. The loss arising from the share capital reduction was capitalised as capital reserve.
- (b) On 25 July 2022, the Company carried out a share capital reduction to cancel 2,958 class A2 ordinary shares and 211 class A2 non-redeemable preference shares for a total cash consideration of \$4,862. The loss arising from the share capital reduction was capitalised as capital reserve.
- (c) On 6 September 2022, the Company cancelled 81 class A2 treasury shares.
- (d) On 26 April 2022, the Company carried out a share capital reduction to cancel 238 class B ordinary shares for a cash consideration of \$1. The gain arising from the share capital reduction was capitalised as capital reserve.

The Company had a net loss of \$2,936 from the share capital reduction and cancellation of treasury shares which was recognised in the capital reserve in 2022. As at 31 December 2023, the total capital reserve is \$3,056 (2022: \$3,056).

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

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(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

20. Trade and other payables

| | <u>Group</u> | | <u>Company</u> | |
|---|---------------|---------------|----------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| <u>Non-Current</u> | | | | |
| <u>Trade Payables:</u> | | | | |
| Outside parties (a) | 675 | 690 | – | – |
| Sub-total | <u>675</u> | <u>690</u> | <u>–</u> | <u>–</u> |
| <u>Other payables:</u> | | | | |
| Outside parties (d) | 79 | 69 | – | – |
| Sub-total | <u>79</u> | <u>69</u> | <u>–</u> | <u>–</u> |
| Total trade and other payables, non-current | <u>754</u> | <u>759</u> | <u>–</u> | <u>–</u> |
| <u>Current:</u> | | | | |
| <u>Trade Payables:</u> | | | | |
| Outside parties | 1,651 | 1,347 | – | – |
| Accrued operating expenses | 193 | 192 | 33 | 33 |
| Sub-total | <u>1,844</u> | <u>1,539</u> | <u>33</u> | <u>33</u> |
| <u>Other Payables:</u> | | | | |
| Related parties (Note 3) (b) | 5,133 | 4,205 | – | – |
| Other payables (c) | 4,125 | 5,551 | – | 11 |
| Sub-total | <u>9,258</u> | <u>9,756</u> | <u>–</u> | <u>11</u> |
| Total trade and other payables, current | <u>11,102</u> | <u>11,295</u> | <u>33</u> | <u>44</u> |

(a) This relates to outstanding payables owing to equipment owners for monies held in trust by the equipment manager.

(b) This amount is includes:

- Margin deposits of \$2,082 (2022: \$1,774) on derivative financial instrument contracts entered into by the Group on behalf of related parties.
- Payables to related parties of \$2,908 (2022: \$2,259) for positive fair value on derivative financial instrument contracts entered into by the Group on behalf of related parties.

(c) This amount includes:

- Cash held in trust of \$3,494 (2022: \$4,751) (Note 18) for Marine Container Management LP, Marine Container Mangement 2 LP and BCI 4 Partnership pursuant to trust agreements entered into on 31 May 2022, 30 November 2022 and 30 November 2022 respectively.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

20. Trade and other payables (cont'd)

- (d) This amount relates to employee benefits liability for a subsidiary which is determined in accordance with the applicable Manpower Law in Indonesia. The subsidiary recorded employee benefits liability based on the actuarial calculation performed by KKA I Gde Eka Sarmaja, FSAI dan Rekan, an independent actuary, for the year ended 31 December 2023 in their report dated 8 March 2024, using the "Projected Unit Credit" method.

The assumptions used are as follows:

| | <u>2023</u> | <u>2022</u> |
|-------------------------|-----------------|-----------------|
| Discount rate per annum | 6.75% | 7.25% |
| Annual salary increase | 6.00% | 6.00% |
| Mortality table | TMI 2019 | TMI 2019 |
| Retirement age | <u>57 years</u> | <u>57 years</u> |

The maturity profile of defined benefits obligation as of 31 December 2023 is:

| | <u>2023</u> | <u>2022</u> |
|-------------------|----------------|----------------|
| | \$ | \$ |
| Within one year | 479 | 441 |
| 2 to 5 years | 808 | 749 |
| More than 5 years | <u>870,935</u> | <u>828,190</u> |

21. Other liabilities

This amount relates to provision for dismantling and removing of plant and equipment from its leased office space and restoring the site back to its original condition.

| | <u>Group</u> | |
|--|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Balance at beginning and end of the year | <u>16</u> | <u>16</u> |
| | <u>16</u> | <u>16</u> |

The provision is based on the present value of costs to be incurred based on an estimated quotation from external contractors. The unwinding of discount and effect of change in discount rate is immaterial.

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(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

22. Derivative financial instruments

During the year, the Group entered into forward exchange contracts with a financial institution to hedge the risks associated with EUR/USD exchange rate fluctuations. A portion of the forward exchange contracts were entered into on behalf of its related parties where there are back-to-back agreements in place.

The following details the forward exchange contracts outstanding at year end:

2023:

| <u>Product</u> | <u>Currency</u> | Notional amount buy / (sell) <u>('000)</u> | <u>Exchange Rate</u> | <u>Maturity Date</u> | Fair value gain / (loss) <u>(US\$)</u> |
|-----------------------|-----------------|---|--------------------------|--------------------------|--|
| Cross Currency Swap 1 | EUR | 16,340 | 0.9756 | 30-Apr-24 | 1,411 |
| Cross Currency Swap 2 | EUR | 15,850 | 0.9588 | 26-Sep-25 | 1,408 |
| Forward 1 | USD | (2,230) | 1.1150 | 30-Jun-25 | 38 |
| Forward 2 | USD | (5,000) | 1.1135 | 31-Jan-24 | (23) |
| Forward 3 | USD | (1,825) | 1.0663 | 16-Feb-24 | 73 |
| Forward 4 | USD | (1,750) | 1.0729 | 28-Jun-24 | 68 |
| | | | | | <u>2,975</u> |

2022:

| <u>Product</u> | <u>Currency</u> | Notional amount buy / (sell) <u>('000)</u> | <u>Exchange Rate</u> | <u>Maturity Date</u> | Fair value gain / (loss) <u>(US\$)</u> |
|-----------------------|-----------------|---|--------------------------|--------------------------|--|
| Forward 1 | USD | (5,000) | 1.0087 | 29-Sep-23 | 354 |
| Cross Currency Swap 1 | EUR | 17,962 | 0.9765 | 30-Apr-24 | 1,121 |
| Cross Currency Swap 2 | EUR | 17,542 | 0.9605 | 26-Sep-25 | 942 |
| | | | | | <u>2,417</u> |

As the forward contracts do not meet the criteria for hedge accounting, the aggregate fair value adjustment gain of \$558 (2022: \$2,417) has been charged to profit or loss and a fair value derivative asset of \$2,975 (2022: \$2,417) was recognised on the Statement of Financial Position. The fair value is regarded as a level 2 fair value measurement for financial instruments.

As a result of the Group's obligations for the portion of the forward exchange contracts arising from back-to-back agreements with its related parties, an offsetting fair value adjustment loss of \$648 (2022: \$2,259) was charged to the profit or loss and the corresponding payable of \$2,907 (2022: \$2,259) was recognised as amounts payable to related parties on the Statement of Financial Position at year end.

The fair value (Level 2) of the forward exchange contracts are based on the current values of the difference between the contractual exchange rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

23. Loans payable

| | <u>Group</u> | | <u>Company</u> | |
|---|--------------|---------------|----------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| Related parties (a) | 732 | 722 | – | – |
| Shareholders (b) | 7,464 | 12,659 | 731 | 4,071 |
| Third party (c) | 27 | 31 | – | – |
| Total | <u>8,223</u> | <u>13,412</u> | <u>731</u> | <u>4,071</u> |
| Presented in the statement of financial position: | | | | |
| Current portion | 739 | 236 | – | – |
| Non-current portion | 7,484 | 13,176 | 731 | 4,071 |
| | <u>8,223</u> | <u>13,412</u> | <u>731</u> | <u>4,071</u> |

- (a)(i) The Group obtained loans from Buss Container Finance 1 GmbH & Co KG to purchase equipment. The terms of the loan agreements are as follows:

| <u>Date of loan agreement</u> | <u>Loan facility amount</u> | <u>Interest per annum</u> | <u>Maturity date</u> | <u>Outstanding Loan</u> | |
|-------------------------------|-----------------------------|---------------------------|----------------------|-------------------------|-------------|
| | | | | <u>2023</u> | <u>2022</u> |
| | | | | \$ | \$ |
| 1-Nov-19 | US\$ 132 | 8% | 30-Sep-24 | 132 | 132 |
| 1-Nov-19 | EUR 775 | 7% | 30-Sep-24 | 82 | 80 |
| 31-Mar-20 | US\$ 190 | 8% | 30-Sep-24 | 68 | 68 |
| 24-Jun-21 | EUR 800 | 7% | 30-Sep-24 | 245 | 237 |
| | | | | <u>527</u> | <u>517</u> |

- (a)(ii) A loan from another related party was transferred in when the Group acquired 50.02% interest in PT TD Energy Services (“TD Energy”) on 6 May 2015 (“Acquisition Date”). The Group gained control in TD Energy on Acquisition Date. In 2008, TD Energy obtained loan for operational working capital from Better Oil Tools Ltd. This loan bears interest at 3.9% per annum starting 2009 and it is payable on demand or as agreed upon by both parties. Based on addendum of loan agreement dated 31 December 2010, Better Oil Tools Ltd. agreed that the loan is free of interest, which became effective on January 1, 2010, until the time determined by both parties. Based on agreement letter dated 16 April 2012, Better Oil Tools Ltd. agreed to transfer the right to receive the principal of the loan to Mr. Paul Douglas Colston, President Director of TD Energy. This loan is due and repayable on demand. As of 31 December 2023, the outstanding balance amounted to US\$205 (2022: \$205).

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

23. Loans payable (cont'd)

- (b) The Group obtained loans from certain shareholders - Dr. Johann Killinger ("Lender 1") and Dr. Dirk Baldeweg ("Lender 2") to purchase equipment during 2019 to 2022. The terms of the loan agreements are as follows:

| <u>Lender</u> | <u>Date of loan agreement</u> | <u>Loan facility amount</u> | <u>Interest per annum</u> | <u>Maturity date</u> | <u>Outstanding Loan</u> | |
|---------------|-------------------------------|-----------------------------|---------------------------|----------------------|-------------------------|---------------|
| | | | | | <u>2023</u> | <u>2022</u> |
| | | | | | \$ | \$ |
| Lender 1 | 20-Jul-21 | US\$ 5,000 | 7.5% | 31-Dec-26 | 731 | 731 |
| Lender 1 | 1-Oct-21 | EUR 900 | 7% - 8% | 31-Dec-24 | – | 964 |
| Lender 1 | 31-Dec-21 | EUR 4,683 | 7% | 31-Dec-26 | – | 1,299 |
| Lender 1 | 30-Mar-22 | EUR 3,110 | 7.25% | 31-Dec-25 | 3,367 | 3,330 |
| Lender 2 | 1-Oct-21 | EUR 900 | 7% - 8% | 31-Dec-24 | – | 964 |
| Lender 2 | 31-Dec-21 | EUR 5,606 | 7% | 31-Dec-26 | – | 2,041 |
| Lender 2 | 30-Mar-22 | EUR 3,110 | 7.25 | 31-Dec-25 | 3,366 | 3,330 |
| | | | | | <u>7,464</u> | <u>12,659</u> |

- (c) In 2022, the Group entered into an agreement for the purchase of a vehicle from PT Toyota Astra Financial Services. The loan is repayable on installment basis for 60 months (loan principal with interest) at an effective interest rate of 7% per annum.

24. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

| | <u>Group</u> | |
|--------------------------------|--------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ | \$ |
| Lease liabilities, current | 114 | 98 |
| Lease liabilities, non-current | 141 | 203 |
| | <u>255</u> | <u>301</u> |

Lease liabilities refer to leases for right-to-use assets relating to an office premise and an office building.

The lease period for the office premise starts from 1 January 2023 for 3 years with extension option. The lease period for the office building starts from 2 July 2023 for 4 years with extension option. The incremental borrowing rates applied to the lease liabilities recognised on the office premise and office building are 2.16% (2022: 2.16%) and 6.45% (2022: Nil) respectively.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

24. Lease liabilities (cont'd)

Movements of lease liabilities for the reporting year are as follows:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|---|-------------|--------------|-------------|
| | \$ | | \$ |
| At beginning of the year | 301 | | 1,302 |
| Additions | 58 | | 301 |
| Accretion of interest | 5 | | 1 |
| Lease payments – principal portion paid | (104) | | (102) |
| Lease payments – interest portion paid | (5) | | (1) |
| Disposals | – | | (1,200) |
| At end of reporting year | <u>255</u> | | <u>301</u> |

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is disclosed in Note 25E.

At reporting year date, there were no commitments on leases which had not yet commenced.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

| | <u>2023</u> | <u>Group</u> | <u>2022</u> |
|--|-------------|--------------|-------------|
| | \$ | | \$ |
| Expense relating to leases of low-value assets included in administrative expenses | <u>(30)</u> | | <u>(30)</u> |

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

25. Financial instruments: information on financial risks and other explanatory information**25A. Categories of financial assets and liabilities**

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

| | <u>Group</u> | | <u>Company</u> | |
|---|---------------|---------------|----------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| <u>Financial assets:</u> | | | | |
| Financial assets at amortised cost | 15,769 | 18,794 | 633 | 1,090 |
| Financial assets at fair value through profit or loss (FVTPL) | <u>2,975</u> | <u>2,417</u> | <u>–</u> | <u>–</u> |
| At end of year | <u>18,744</u> | <u>21,211</u> | <u>633</u> | <u>1,090</u> |
| <u>Financial liabilities:</u> | | | | |
| Financial liabilities at amortised cost | <u>20,334</u> | <u>25,767</u> | <u>764</u> | <u>4,115</u> |
| At end of year | <u>20,334</u> | <u>25,767</u> | <u>764</u> | <u>4,115</u> |

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

25B. Financial risk management

The main purpose for the Group to hold or issue financial instruments is for it to raise and manage the finances for its operating, investing and financing activities. There is exposure to the financial risks on the Group's financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The Group's management has certain procedures for the management of financial risks to be followed in order to manage such risks. However, these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all transactions.
2. Maximise the use of "natural hedging", i.e., favouring as much as possible the natural offsetting of sales and costs and payables and receivables denominated in the same currency, putting in place external hedging strategies only for the excess balance, if any. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff and are carried out following standard market practices.

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(All currency expressed in thousands of United States Dollar (USD '000 or \$'000), except where otherwise noted)

25. Financial instruments: information on financial risks and other explanatory information (cont'd)**25B. Financial risk management (cont'd)**

With regard to derivatives, the policies include the following:

1. Management carefully documents all derivatives including the relationship between them and the hedged items at their inception and throughout their life.
2. Derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curve.
3. Only financial institutions with acceptable credit ratings are used as counterparties for derivatives.

25C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 18 discloses the cash balances. There was no identified impairment loss.

BUSS GLOBAL HOLDINGS PTE. LTD.

(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

25. Financial instruments: information on financial risks and other explanatory information (cont'd)**25E. Liquidity risk – financial liabilities maturity analysis**

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The following table analyses non-derivative and derivative financial liabilities by remaining contractual maturity dates (contractual and undiscounted cash flows):

| <u>Group</u> | <u>Lease liabilities</u> | <u>Loans and borrowings</u> | <u>Trade and other payables</u> | <u>Total</u> |
|---------------------------------------|--------------------------|-----------------------------|---------------------------------|---------------|
| Non-derivative financial liabilities: | \$ | \$ | \$ | \$ |
| <u>2023:</u> | | | | |
| Less than 1 year | 117 | 1,311 | 11,102 | 12,530 |
| Within 2 to 5 years | 142 | 8,082 | 754 | 8,978 |
| At end of year | <u>259</u> | <u>9,393</u> | <u>11,856</u> | <u>21,508</u> |
| <u>2022:</u> | | | | |
| Less than 1 year | 104 | 1,158 | 11,295 | 12,557 |
| Within 2 to 5 years | 207 | 15,180 | 759 | 16,146 |
| At end of year | <u>311</u> | <u>16,338</u> | <u>12,054</u> | <u>28,703</u> |
| <u>Company</u> | | <u>Loans and borrowings</u> | <u>Trade and other payables</u> | <u>Total</u> |
| | | \$ | \$ | \$ |
| <u>2023:</u> | | | | |
| Less than 1 year | | 55 | 33 | 88 |
| Within 2 to 5 years | | 840 | – | 840 |
| At end of year | | <u>895</u> | <u>33</u> | <u>928</u> |
| <u>2022:</u> | | | | |
| Less than 1 year | | 289 | 44 | 333 |
| Within 2 to 5 years | | 4,936 | – | 4,936 |
| At end of year | | <u>5,225</u> | <u>44</u> | <u>5,269</u> |

The undiscounted amounts on the borrowings with fixed interest rates are determined by reference to the conditions existing at the reporting date.

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(All currency expressed in thousands of United States Dollar (USD '000 or '\$'000), except where otherwise noted)

25. Financial instruments: information on financial risks and other explanatory information (cont'd)**25E. Liquidity risk – financial liabilities maturity analysis (cont'd)**

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

| | <u>Less than</u> <u>1 year</u> | <u>1 to 3 years</u> | <u>Total</u> |
|------------------------------------|-----------------------------------|---------------------|--------------|
| Derivative financial liabilities: | \$ | \$ | \$ |
| <u>31 December 2023:</u> | | | |
| Gross settled: | | | |
| Foreign currency forward contracts | 26,352 | 17,731 | 44,083 |
| Derivative financial liabilities: | | | |
| <u>31 December 2022:</u> | | | |
| Gross settled: | | | |
| Foreign currency forward contracts | 7,226 | 33,278 | 40,504 |

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 50 days (2022: 50 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

25F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

| | <u>Group</u> | | <u>Company</u> | |
|-------------------------------|--------------|-------------|----------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | \$ | \$ |
| <u>Financial liabilities:</u> | | | | |
| Fixed rates | 8,478 | 13,713 | 731 | 4,071 |

The interest rate risk exposure is derived from changes in interest rates relating to lease liabilities and loans payable. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

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25. Financial instruments: information on financial risks and other explanatory information (cont'd)**25G. Foreign currency risk**

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency at the end of the reporting year:

| <u>Group</u> | Indonesian | | <u>Total</u> |
|---|-------------|---------------|--------------|
| | <u>Euro</u> | <u>Rupiah</u> | |
| | \$ | \$ | \$ |
| <u>2023:</u> | | | |
| Financial assets: | | | |
| Cash | 34 | 12 | 46 |
| Trade and other receivables | 55 | 1,425 | 1,480 |
| Total financial assets | 89 | 1,437 | 1,526 |
| Financial liabilities: | | | |
| Trade and other payables | (123) | (143) | (266) |
| Loans payable | (7,061) | – | (7,061) |
| Total financial liabilities | (7,184) | (143) | (7,327) |
| Net financial assets / (liabilities) at end of the year | (7,095) | 1,294 | (5,801) |
| <u>2022:</u> | | | |
| Financial assets: | | | |
| Cash | 81 | 11 | 92 |
| Trade and other receivables | 268 | 1,347 | 1,615 |
| Total financial assets | 349 | 1,358 | 1,707 |
| Financial liabilities: | | | |
| Trade and other payables | – | (153) | (153) |
| Loans payable | (12,245) | – | (12,245) |
| Total financial liabilities | (12,245) | (153) | (12,398) |
| Net financial assets / (liabilities) at end of the year | (11,896) | 1,205 | (10,691) |

| <u>Company</u> | <u>Euro</u> |
|---|-------------|
| | \$ |
| <u>2023:</u> | |
| Financial assets: | |
| Cash | 1 |
| Total financial assets at end of the year | 1 |

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25. Financial instruments: information on financial risks and other explanatory information (cont'd)**25G. Foreign currency risk (cont'd)**

| <u>Company</u> | <u>Euro</u> \$ |
|--|-----------------------|
| <u>2022:</u> | |
| Financial assets: | |
| Cash | 1 |
| Total financial assets | <u>1</u> |
| Financial liabilities: | |
| Loans payable | <u>(3,340)</u> |
| Total financial liabilities | <u>(3,340)</u> |
| Net financial liabilities at end of the year | <u><u>(3,339)</u></u> |

| | <u>Group</u> | | <u>Company</u> | |
|---|--------------|--------------|----------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | US\$ | US\$ | US\$ | US\$ |
| A hypothetical 10% strengthening in the exchange rate of the functional currency US\$ against Euro with all other variables held constant would have a favourable effect on pre-tax profit of | 709 | 1,190 | – | 334 |
| A hypothetical 10% strengthening in the exchange rate of the functional currency US\$ against Indonesian Rupiah with all other variables held constant would have an unfavourable effect on pre-tax profit of | <u>(129)</u> | <u>(121)</u> | <u>–</u> | <u>–</u> |

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has material exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

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26. Changes and adoption of financial reporting standards

For the current reporting year, the ASC issued amendment to FRS 1 and Practice Statement 2 on disclosures of material information and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. Those applicable to the reporting entity are listed below.

| <u>FRS No.</u> | <u>Title</u> |
|----------------|---|
| FRS 8 | Definitions of Accounting Estimates – Amendments to |

27. New or amended standards in issue but not yet effective

For the future reporting years, the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

| <u>FRS No.</u> | <u>Title</u> | <u>Effective date for periods beginning on or after</u> |
|----------------|---|---|
| FRS 1 | Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current | 1 January 2024 |
| FRS 1 | Presentation of Financial Statements- amendment relating to Non-current liabilities with Covenants | 1 January 2024 |

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28. Listing of and information on subsidiaries

The subsidiaries held by the Company and the Group are listed below:

| Name of subsidiaries, country of incorporation, place of operations and principal activities | Cost of investment | | Equity interest held | |
|---|--------------------|-------------|----------------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | \$ | \$ | % | % |
| <u>Held by the Company</u> | | | | |
| Buss Global Assets 1 Limited (a) Bermuda Investment holding | 10 | 10 | 100 | 100 |
| Buss Global Management Pte. Ltd. (a) Singapore Provides fund management services to container owning entities | 3,073 | 3,073 | 100 | 100 |
| Buss Global Marine Assets Limited (a) Bermuda Investment holding | 5,634 | 5,634 | 100 | 100 |
| PT TD Energy Services (b) Indonesia Equipment leasing | 132 | 132 | 50.02 | 50.02 |
| Buss Global Offshore Pte. Ltd. (b) Singapore Own and manage equipment | 2,320 | 2,320 | 100 | 100 |
| <u>Subsidiary held by Buss Global Assets 1 Limited</u> | | | | |
| Buss Global Assets 1 L.P. (a) (c) Bermuda Own and manage equipment | | | 100 | 100 |

(a) Audited by RSM SG Assurance LLP, a member firm of RSM International.

(b) Audited by firms of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

(c) The subsidiary is 100% consolidated by virtue of another 99.98% interest held by Buss Global Marine Assets Limited, a wholly owned subsidiary of the Group.