NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

31 MARCH 2020

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

31 MARCH 2020

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NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

REPORT OF THE DIRECTORS

Directors

Daniel Chung Yan Chu
Jason Peter Klopfer
Philip Andrew Stone

Secretary

Daniel Chung Yan Chu

The directors present their report and the audited financial statements of Navig8 Topco Holdings Inc (the "Company") for the financial year ended 31 March 2020.

Principal Activities

The principal activities of the Company are those of investment holding.

Results for the Year

The results of the Company for the financial year are presented on page 6.

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial year ended 31 March 2020 which give a true and fair view of the affairs of the Company and the results of the Company for that financial years then ended. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made adjustments and estimates that are responsible and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on a going concern basis.

Directors Responsibilities (cont'd)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the financial statements comply with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company by taking reasonable steps to prevent and detect fraud and other irregularities.

At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Independent Auditors

Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

The report of the directors was authorised by the Board on 3 July 2020
And signed on its behalf by,

....

DANIEL CHUNG YAN CHU

....

PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Topco Holdings Inc (the "Company") which comprise the statement of financial position as at 31 March 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance, and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA 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 Report of the Directors.

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

(cont'd)

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

(cont'd)

Auditor's Responsibility for the Audit of the Financial Statements (cont'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

This report is for the purpose of reporting to the members on the separate financial statements of Navig8 TopCo Holdings Inc for the financial year ended 31 March 2020. We have reported separately on the consolidated financial statements of Navig8 TopCo Holdings Inc for the financial year ended 31 March 2020 and expressed an unmodified opinion on the consolidated financial statements on 3 July 2020.

Moore Stephens LLP

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
3 July 2020

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US$'000	2019 US$'000
Other income	4	16,587	5,921
Finance income	5	344	-
Finance costs	6	(11,280)	-
Administrative expenses	7	(286)	(1)
Profit before income tax		5,365	5,920
Income tax expense	8	-	-
Profit and total comprehensive income for the financial year		5,365	5,920

The accompanying notes form an integral part of the financial statements

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	2020 US$'000	2019 US$'000
ASSETS			
Non-Current Assets			
Investments in subsidiaries	9	3,798	3,828
Current Assets			
Cash and bank balances	10	118	-
Amount due from related parties	11	114,415	5,921
		114,533	5,921
TOTAL ASSETS		118,331	9,749
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1	1
Other reserves	13	490	150
Retained earnings		763	(2)
		1,254	149
Non-Current Liabilities			
Other borrowings	16	96,804	-
Current Liabilities			
Other payables	15	20,273	9,600
Total Liabilities		117,077	9,600
TOTAL EQUITY AND LIABILITIES		118,331	9,749

The accompanying notes form an integral part of the financial statements

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total US$'000
Balance as at 1 April 2019	1	150	(2)	149
Profit for the year	-	-	5,365	5,365
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	-	-	5,365	5,365
Dividends declared during the year (Note 14)	-	-	(4,600)	(4,600)
Effect of dilution of interest in a subsidiary (Note 13)	-	340	-	340
Balance as at 31 March 2020	1	490	763	1,254
Balance as at 1 April 2018	1	-	(1)	-
Profit for the year	-	-	5,920	5,920
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	-	-	5,920	5,920
Dividends declared during the year (Note 14)	-	-	(5,921)	(5,921)
Effect of dilution of interest in a subsidiary (Note 13)	-	150	-	150
Balance as at 31 March 2019	1	150	(2)	149

The accompanying notes form an integral part of the financial statements

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 US$'000	2019 US$'000
Cash Flows from Operating Activities		
Profit before income tax	5,365	5,920
Adjustments for:		
Dividend income	(16,047)	(5,921)
Gain on buy back of bonds	(540)	-
Interest income	(344)	-
Interest expense	11,279	-
Operating cash flow before working capital changes	(287)	(1)
Changes in working capital		
Other payables	370	150
Cash used in operations	83	149
Interest received	344	-
Interest paid	(6,477)	-
Net cash (used in)/generated from operating activities	(6,050)	149
Cash Flows from Investing Activity		
(Repayments from)/advances to related parties	(92,447)	1
Proceeds from dilution of interest in a subsidiary	22	13
Net cash (used in)/generated from investing activity	(92,425)	14
Cash Flows from Financing Activities		
Advances from related parties	9,407	-
Repayments to ultimate holding company	(8,166)	(191)
Proceeds from exercise of share options	8	28
Proceeds from other borrowings	98,804	-
Buy back of other borrowings	(1,460)	-
Net cash generated from/(used in) financing activities	98,593	(163)
Net increase in cash and cash equivalents	118	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year (Note 10)	118	-

The accompanying notes form an integral part of the financial statements

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

(cont'd)

The reconciliation of movement of liabilities to cash flows arising from financing activities are presented as below:

	Balance at 1 April US$'000	Cash flows – inflow/(outflow) US$'000	Non-cash changes US$'000	Balance at 31 March US$'000
2020				
Other borrowings (Note 16)	-	96,961	(157)	96,804
Advances from related parties (Note 15)	3,868	9,407	-	13,275
Repayments to ultimate holding company (Note 15)	5,732	(8,166)	4,600	2,166
2019				
Advances from related parties (Note 15)	3,868	-	-	3,868
Repayments to ultimate holding company (Note 15)	2	(191)	5,921	5,732

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

1 General

Navig8 Topco Holdings Inc (the "Company") is a private company incorporated and domiciled in the Marshall Islands. The address of its registered office is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

The principal activities of the Company are those of investment holding.

The Company's ultimate holding company is Navig8 Ltd, a company domiciled at 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda.

The Board of Directors have authorised these financial statements for issue on the date of the Report by Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the purpose of reporting to the shareholders. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Company's accounting policies. It also requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity are disclosed in Note 3 to the financial statements.

Adoption of New and Revised IFRS

For the financial year ended 31 March 2020, the Company has adopted the following new and revised FRS which is relevant to the Company and mandatory for application:

2 **Significant Accounting Policies** (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

IFRS 16 *Leases*

IFRS 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. Right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

On 1 April 2019, the Company has applied a modified retrospective approach that does not restate comparative information, but recognises the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings on 1 April 2019. The adoption of this standard had no effect on the amounts reported for the current or prior financial years.

New and Revised IFRS Issued But Not Yet Effective

As at the date of authorisation of these financial statements, the Company has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 and IAS 8, *Definition of Material*	1 January 2020
Amendments to IAS 1, *Classification of Liabilities as Current and Non-Current*	1 January 2022
Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*	1 January 2020
Annual Improvements to IFRS Standards 2018-2020 Cycle - IFRS 9 *Financial Instruments*	1 January 2022
Amendments to IAS 37 *Provisions - Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Management is of the view that the adoption of the amendments above will have no material impact on the financial statements in the period of initial application.

2 **Significant Accounting Policies** (cont'd)

(a) Basis of Preparation (cont'd)

New and Revised IFRS Issued But Not Yet Effective (cont'd)

- Amendments to IAS 1 and IAS 8, *Definition of Material*

The amendments refine the definition of "material", provide guidance on its application, and align the definitions used across IFRS. Based on the amendments, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The standard is effective for annual periods beginning on or after 1 January 2020.

- Amendments to IFRS 109, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*

The amendments provide temporary relief to allow hedge accounting to continue for certain hedges during the period of uncertainty before replacement of an existing Interbank Offered Rate benchmark (IBOR) with an alternative nearly Risk Free Rates (RFRs). The amendments are mandatory for all hedging relationships directly affected by the IBOR reform.

Companies are required to assume that the interest rate benchmark that is the subject of a hedge of interest rate risk is unaltered by the reforms. The standard is effective for annual periods beginning on or after 1 January 2020.

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

The amendments require that the classification of liabilities as current or non-current must be based on rights that are in existence at the end of the reporting period. The classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments clarify that a counterparty conversion option that is recognised separately as an equity component of a compound financial instrument does not affect the classification of the associated liability component as current or non-current. All other obligations to transfer equity instruments, cash, assets and liabilities, affect the classifications. The amendments should be applied retrospectively.

- IFRS 9, *Financial Instruments - Fees in the '10 per cent' test for derecognition*

This amendment clarifies that, for the purpose of performing the "10 per cent test" in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability that has been modified or exchanged. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New and Revised IFRS Issued But Not Yet Effective (cont'd)

- Amendments to IAS 37, *Provisions - Onerous Contracts - Cost of Fulfilling a Contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(b) Functional Currency and Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements of the Company are presented in United States dollar, which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

Translation and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

(c) Investment in Subsidiaries

Subsidiaries are entities over which the Company, directly or indirectly has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

2 **Significant Accounting Policies** (cont'd)

(d) Financial Assets

Classification and Measurement

The Company classifies its financial assets at amortised costs.

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

Initial Recognition

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

Subsequent Measurement

Debt instruments mainly comprise of other receivables. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with the financial assets measured at amortised costs.

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

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

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

General approach - Other financial assets

The Company applies the general approach to provide for expected credit loss on all other financial assets, which requires the loss allowance to be measured at an amount equal to 12-month expected credit loss at initial recognition.

2 Significant Accounting Policies (cont'd)

(d) Financial Assets (cont'd)

Impairment (cont'd)

General approach - Other financial assets (cont'd)

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

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

The maximum period considered when estimating expected credit loss is the maximum contractual period over which the Company is exposed to credit risk.

Credit-impaired financial assets

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

Measurement of expected credit loss

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

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(d) Financial Assets (cont'd)

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

(e) Cash and Bank Balances

Cash and bank balances comprises cash on hand and are subject to an insignificant risk of changes in value.

(f) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

(g) Other Payables

Other payables, including amount due to related parties, are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

(h) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

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

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

2 Significant Accounting Policies (cont'd)

(h) Related Parties (cont'd)

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

i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
iii. both entities are joint ventures of the same third party;
iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
vi. the entity is controlled or jointly controlled by a person identified in (a);
vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3 Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets and liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Company does not have key accounting estimates, assumptions and judgments concerning the future at the end of the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In the process of applying the Company's accounting policies, the application of judgments that are expected to have a significant effect on the amounts recognised in the financial statements is discussed below.

Loss allowance for receivables

The Company measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(d) to the financial statements. In making this estimation and judgement, the Group evaluates, among other factors, the ageing analysis of receivables, the financial healthiness and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macro-economic indicators, etc.

3 Critical Accounting Estimates, Assumptions and Judgments (cont'd)

Loss allowance for receivables (cont'd)

The carrying amounts of the Company's amount due from related parties as at 31 March 2020 amounted to US$114.4 million (2019: US$5.9 million). The information about the expected credit losses on the Company's amount due from related parties is disclosed in Note 18 to the financial statements.

4 Other Income

	2020 US$'000	2019 US$'000
Dividends receivable from subsidiaries	16,047	5,921
Gain on buy back of bonds	540	-
	16,587	5,921

5 Finance Income

	2020 US$'000	2019 US$'000
Interest income from bank balances	344	-

6 Finance Costs

	2020 US$'000	2019 US$'000
Interest expense	11,279	-
Bank charges	1	-
	11,280	-

7 Administrative Expenses

	2020 US$'000	2019 US$'000
Legal and professional fees	286	1

8 Income Tax Expense

The Company's income is not subject to tax in the jurisdiction in which it was derived.

9 Investment in Subsidiaries

	2020 US$'000	2019 US$'000
Unquoted equity shares, at cost		
At the beginning of the financial year	3,828	3,869
Exercise of share options	(8)	(28)
Dilution of interest	(22)	(13)
At the end of the financial year	3,798	3,828

The details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Company 2020 %	2019 %
Navig8 Asset Management Holdings Inc	Investment holding	Marshall Islands	100	100
Integr8 Fuels Holdings Inc [(a)]	Investment holding	Marshall Islands	84.8	85.4
Navig8 Group Holdings Inc	Investment holding	Marshall Islands	100	100
Navig8 Pte Ltd	Ship chartering	Singapore	100	100

(a) During the current financial year, the Company's share of interest was diluted from 85.4% to 84.8%, following the issuance and vesting of share options in Integr8 Group. The Company's effective interest in Integr8 Group was accordingly reduced from 85.4% to 84.8%. This did not result in loss of control, and accordingly, the decrease of the interest in the subsidiaries has been accounted for as an equity transaction and the effect of the change of the Company's effective interest in Integr8 Group on the equity attributable to equity holders of the Company was as follows:

	2020 US$'000	2019 US$'000
Consideration received for adjustment of interest	8	28

10 Cash and Bank balances

	2020 US$'000	2019 US$'000
Cash in bank	118	-

11 Amount due from Related Parties

	2020 US$'000	2019 US$'000
Amount due from related parties (Non-trade)	114,415	5,921

The non-trade amounts due from related parties are unsecured, interest-free and repayable in cash on demand.

12 Share Capital

	2020 No. of shares	2020 US$'000	2019 No. of shares	2019 US$'000
Issued and fully paid:				
At date beginning of financial year	1,000	1	1,000	1
Issuance of share capital	-	-	-	-
At the end of financial year	1,000	1	1,000	1

The par value for these ordinary shares is US$1 per share.

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

13 Other Reserves

	2020 US$'000	2019 US$'000
At 1 April	150	-
Dilution of interest during the financial year	340	150
At 31 March	490	150

14 Dividends

During the financial year, a dividend amounting to US$4.6 million (2019: US$5.9 million) was declared and made payable to the shareholders of the Company. The dividends remained outstanding as at 31 March 2020 (Note 15).

15 Other Payables

	2020 US$'000	2019 US$'000
Other payables		
- Amount due to related parties	13,275	3,868
- Amount due to the ultimate holding company	2,166	5,732
- Accruals	4,832	-
	20,273	9,600

The non-trade amounts due to related parties and ultimate holding company is unsecured, interest-free and repayable on demand.

16 Other Borrowings

	2020 US$'000	2019 US$'000
Other borrowings		
- Non-current	96,804	-

On 3 May 2019, the Company issued 12% fixed rate bonds denominated in USD with a nominal value of $100 million. The bonds are due for repayment four years from the issue date at their nominal value. The Company bought back US$2 million bonds during the financial year.

17 Related Parties

Related parties referred to in these financial statements are members of the ultimate holding company's group of companies.

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements.

In addition to the related parties balances disclosed in Notes 11 and 15 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2020 US$'000	2019 US$'000
Dividends received/receivable from subsidiaries	16,047	5,921
Dividends paid/payable to the ultimate holding company	(4,600)	(5,921)

The Company's key management decisions are undertaken by its directors. The directors are employed and remunerated by related parties.

18 Financial Instruments

(a) Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. Generally, the Company adopts conservative strategies on its risk management as the directors believe that the Company's exposure associated with these risks is minimal.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's primary exposure to credit risk arises through its other receivables. It is the Company's policy to enter into transactions with creditworthy customers to mitigate any significant credit risk. The Company has procedures in place to control credit risk and exposure to such risk is monitored on an ongoing basis. Before accepting any new customer, the Company conducts an assessment to evaluate the potential customer's credit quality.

The Company's maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

The Company does not have any significant concentration of credit risk.

Credit risk grading guideline

The internal credit risk grading which are used to report the Company's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss
i. Performing	The counterparty has a low risk of default and does not have any significant past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (i.e interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired (i.e interest and/or principal repayments are more than 90 days past due).	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e interest and/or principal repayments are more than 180 days past due).	Asset is written off

18 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

Based on the Company's internal rating assessment, other than those disclosed in the financial statements, there are no financial assets that are under-performing, non-performing and assets written off during the financial year. The credit quality of the Company's performing financial assets, as well as maximum exposure to credit risk by internal credit risk assessments are as follows:

Cash and Cash Equivalents and Other Financial Assets

Cash and cash equivalents are proceeds with financial institution counterparties, which are rated Aa1, based on rating agency ratings. Debt instruments measured at amortised cost are considered low credit risks as the instrument is of a good rating.

Impairment on cash and cash equivalents and other financial assets have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that these financial assets have low credit risk based on the external credit ratings of the counterparties and these counterparties having low risk of default. The amount of the loss allowance on these financial assets are assessed to be minimal. The gross and net carrying amounts of these financial assets are disclosed in Note 10 to the financial statements.

(ii) Liquidity risk

In the management of its liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in the cash flows.

The following table is an analysis of the maturity profile of the Group's financial liabilities based on the expected contractual undiscounted cash outflows, including interest payments.

			Cash Flows		
	Carrying Amounts	Contractual cash flows	Within one year	Between two to five years	After five years
	US$'000	US$'000	US$'000	US$'000	US$'000
2020					
Other payables	(20,273)	(20,273)	(20,273)	-	-
Other borrowings	(96,804)	(138,058)	(11,836)	(126,222)	-
	(117,077)	(158,331)	(32,109)	(126,222)	-

18 Financial Instruments (cont'd)

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

(ii) Liquidity risk (cont'd)

	Carrying Amounts	Contractual cash flows	Cash Flows Within one year	Cash Flows Between two to five years	Cash Flows After five years
	US$'000	US$'000	US$'000	US$'000	US$'000
2019					
Other payables	(9,600)	(9,600)	(9,600)	-	-

(b) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares or obtain new borrowings.

The Company's strategy is to maintain a prudent balance between the advantage and flexibility afforded by a strong capital position and the higher return on equity that are possible with greater leverage. There were no changes in the Company's approach to capital management during the current and previous financial years.

There were no externally imposed capital requirements that the Company needed to be in compliance with for the financial years ended 31 March 2020 and 2019.

The Company monitors capital based on net debts against non-current assets. Net debt is calculated as total liabilities less liquid assets (i.e. cash and bank balances and amount due from related parties). Non-current assets comprises all components of non-current assets.

	2020 US$'000	2019 US$'000
Total liabilities	117,077	9,600
Less:		
Cash and bank balances	(118)	-
Amount due from related parties	(114,415)	(5,921)
Net debt	2,544	3,679
Non-current assets	3,798	3,828

18 Financial Instruments (cont'd)

(b) Capital Risk Management (cont'd)

Based on the above, the Company's liquid liabilities are higher than the non-current assets as at 31 March 2020 and 2019.

The Company maintains a sufficient level of capital for ongoing operations, based on continued support from its ultimate holding company.

(c) Fair Value

Except as detailed in the following table, the carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and bank balances, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

The carrying values of other borrowings compared to fair values are shown below:

	2020		2019	
	Carrying value US$'000	Fair value US$'000	Carrying value US$'000	Fair value US$'000
Other borrowings	96,804	115,642	-	-

The fair values disclosed above are estimated by discounting expected future cash flows at market interest rate for similar lending arrangements at the reporting date.

19 Subsequent Events

(a) In April 2020, the Company bought back US$1,400,000 of its bond.

(b) In May 2020, the Company, through its subsidiaries, carried out an on-market share acquisition in Awilco LNG ASA. The Group in aggregate purchased 26,023,392 shares in Awilco LNG ASA, which represents 19.6% of the issuer's total shares outstanding.