REGISTRATION DOCUMENT

Navig8 Topco Holdings Inc

The information contained in this registration document (the "**Registration Document**") relates to the listing of bonds with a face value of USD 100,000 each (the "**Bonds**") issued by Navig8 Topco Holding Inc (the "**Issuer**" or the "**Company**", taken together with its subsidiaries, the "**Group**" or "**Navig8**") on 3 May 2019 (the "**Listing**"). The Bonds are guaranteed by the Guarantors (as defined below).

For the definitions of capitalised terms used throughout this Registration Document, see Section 9 "Definitions". ***Investing in the Bonds involves risks; see Section 1 "Risk Factors" beginning on page 3.***

1 November 2019

IMPORTANT INFORMATION

The Manager (the "**Manager**") and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Manager's corporate finance department may act as manager or co-manager for this Issuer and/or Guarantors in private and/or public placements and/or resales not publicly available or commonly known.

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Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States other than on the Issuer's web page. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

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Other than in compliance with applicable United States securities laws, no offer or sales of securities are being made or will be made, directly or indirectly, in the United States. The Bonds will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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The distribution of the Registration Document may be limited by law also in jurisdictions other than the United States, for example in Canada, Japan and in the United Kingdom.

This Registration Document is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (*Norwegian*: *Finanstilsynet*) (the "**Norwegian FSA**"). This Registration Document should be read together with the Securities Note dated 1 November 2019 (the "**Securities Note**") and Summary dated 1 November 2019 (the "**Summary**"), which together with this Registration Document constitute a prospectus (the "**Prospectus**"). The Prospectus has been prepared in order to provide information about the Company and its business in relation to the Listing and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). The Prospectus has been prepared solely in the English language.

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1. RISK FACTORS

Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those set out in both this Registration Document and the Securities Note, before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which the Company is aware and that the Company considers to be material to its business. Prospective investors should also read the detailed information set out in any accompanying Securities Note and reach their own views prior to making any investment decision. For the purpose of this Registration Document, the risk factors for the Issuer and the Guarantors are deemed to be the same.

Investing in bonds issued by Navig8 Topco Holdings Inc. (the "**Company**" or the "**Issuer**" and together with its subsidiaries the "**Group**") and guaranteed by the Guarantors involves inherent risks. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

GENERAL

Prior to any decision to invest in the Bonds, potential investors should carefully read and assess the following specific risks and the other information contained in this Registration Document. If any of the risks presented below materializes, individually or together with other circumstances, the business, financial condition, operating results and/or cash flows of the Company and the Group could be materially and adversely affected, the Company and/or the Guarantors could be unable to pay interest, principal or other amounts on or in connection with the bonds, and the price of the bonds may decline, causing investors to lose all or part of their invested capital.

The primary risk factors in connection with an investment in the Bonds are described below and are, in the view of the Issuer, listed according to the possible negative impact they may have and the probability of their occurrence. The greatest risk within each category is mentioned first. A prospective investor should carefully consider the factors set out below and elsewhere in this Registration Document.

Structural risk

The Issuer and all but one of the Guarantors are pure holding companies without operating revenues of their own. As a result, the ability of the Issuer and all but one of the Guarantors to fulfil their respective financial obligations is dependent on dividend distributions or other contributions from its shareholders or other members of the Group. Should the Group's operations not generate sufficient cash flow to satisfy future liquidity requirements and/or to finance future operations or if for other reasons the Group is not able to upstream funds to the Issuer, the Issuer may not be able to service or repay the Bonds, or alternatively to obtain or secure new financing.

The terms and conditions of the Group's existing asset financing arrangements require the Group (or members of the Group) to maintain specified financial ratios and satisfy financial covenants, such as, at a consolidated Group level, a maximum ratio of total net debt to total fixed assets, minimum consolidated tangible net worth, and minimum liquidity covenants and, in relation to individual vessels, maximum loan to value ratios. Compliance with these financial covenants will in large part depend on the market value of the vessels owned by the Group and their earnings generating ability. The concentration of the Group's current fleet in two types of tanker vessels (LR2 tankers and MR tankers) makes the Group particularly susceptible to trends in market values for these types of vessels. Should tanker charter rates or tanker vessel values materially decline in the future to an extent which would result in one or more of the above financial covenants being breached, it could constitute an event of default, and/or cross-default, under one or more facilities. Prior thereto, the Group will need to try and seek waivers or amendments from its lenders with respect to such financial covenant breaches, or it may be required to take action to reduce its debt or to act in a manner contrary to its business objectives to comply with any such financial covenants, failing which the lenders may accelerate the relevant loans. The occurrence of any of these events may materially adversely affect any relevant Group member's ability to upstream funds to the Issuer and the Issuer's ability to service or repay the Bonds.

Concentration risk

The Group's business is concentrated to ownership, operation and management of tanker vessels. As such, the Group is highly exposed to fluctuations and market developments within a distinct and volatile segment of shipping. Accordingly, an adverse development in the tanker shipping industry or the crude oil/products markets in general may have a significant impact on the Group's business, financial condition, results of operations and/or cash flows.

The tanker industry and shipping markets could be significantly affected by, among other things, geopolitical instability, oil and other energy prices, a decline in crude oil and refined petroleum product production and exports and overall demand for crude oil and refined petroleum products in general. Freight rates for crude oil and refined petroleum products are volatile and affected by numerous factors beyond the Group's control.

The demand for the Group's services depend on the level of activity in the oil industry, including without limitation oil companies' willingness and ability to continue making operating and capital expenditures to explore, develop and produce crude oil and refined petroleum products, which are directly affected by trends in oil prices. Any prolonged reduction in oil prices or limitations on the availability of capital or higher costs of capital could lead to reduced levels of exploration, development, production activity and other capital expenditure, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations and/or cash flow.

Despite the capacity of the shipping management services part of the Group's business to provide more stable revenue performance, the Group's ability to maintain and grow the shipping services business will depend in part on developments in the underlying tanker shipping markets in which it operates.

The risks described are to a large extent beyond the control of the Group, and the tanker shipping markets are notoriously volatile, thus likely to affect the tanker shipping industry, including the Group, going forward. Unlike some other shipping companies, the Group is not exposed to segments other than tankers, thus not benefitting from the potential de-risking of being active in several different markets.

Competition

The Group has a modern fleet and runs an ambitious tanker business. However, the tanker shipping industry is highly competitive and includes companies that compete in the markets in which the Group operate and plans to operate. If current competitors or new market entrants introduce new services such as shipping pools with better features, performance, lower fees or other characteristics compared to the Group's services, this may adversely affect the Group's operations. Regardless of current or new competitors, existing third party owners with vessels in the Navig8 Pools may choose to withdraw their vessels from Navig8's pooling platform. Generally, increased competition in the form of other shipping companies making newbuild orders at shipyards and/or new shipowner entrants to the tanker shipping market may negatively affect the Group's ability to obtain favorable terms on construction and financing of newbuildings and secondhand vessels and may also affect the Group's ability to secure contracts for its own vessels as well as for vessels it manages on behalf of third parties or the rates at which it secures contracts on such vessels.

If the Group experience any periods of non-employment of the vessels, this may negatively affect their results of operation. Competitive pressure or other factors may also result in significant price competition, all of which could have a material adverse effect on the Group's business, financial condition, results of operations and/or cash flows. Even if applicable to the industry generally, competition from current competitors or new market entrants is of immediate concern, and constitutes a potential risk, to the Group.

Technical, operational and commercial counterparty risk

The Group's successful operations in a highly competitive landscape are dependent upon performance by third parties on which the Group relies, and amongst whom technical managers and charterers are critical.

Unlike many other shipping companies, the Group is not a wholly integrated shipowner with all operational functions carried out in-house. The Group is dependent on third party technical management services, and as such exposed to significant counterparty risk. Technical management is vital to securing the operation and maintenance of vessels, and therefore, to the vessels' attractiveness to charterers, customers and potential buyers. Technical management may impact the vessels' economic life, and is critical to handle operational risks. Operational risks for ocean-going vessels in general represent, among others, risks such as pollution, fires, explosions, groundings, collisions, oil spills, human error, terrorism, piracy, adverse weather conditions, business interruptions caused by mechanical failures, which could result in damage or loss to vessels and their cargoes, death and injury to persons, environmental damage, loss of revenues, interference with shipping routes (such as delays or rerouting), reputational damage and affect the Group's results of operations and its financial condition.

Further, the Group's income is dependent upon its charterers and customers being able to make timely payments, where their failure to do so could adversely affect the Issuer's results and profitability. In depressed market conditions, there have been reports of charterers (other than the Group's current counterparties) seeking to renegotiate their charters or defaulting on their obligations under charters. Should a charterer fail to honour its obligations under agreements with the Group, it may be difficult for the Group to secure substitute employment for its vessels, and any new charter arrangements that the Group secures may be at lower rates or on less favourable terms. If charterers fail to satisfy their obligations to the Group or attempt to renegotiate their charters with the Group, the Group could sustain significant losses which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Cybersecurity

The Group's modern fleet relies on sophisticated and state of the art technology platforms and IT-solutions. The computer systems on board its vessels and in its offices are subject to cybersecurity threats. These threats could impact its business operations and reporting capabilities including its voyage management system and pool reporting platform which are unique to the Group's pool commercial management services. The efficient operation of the Group's business, including processing, transmitting and storing electronic and financial information, is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. The Group relies on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on its information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the unavailability of information systems or the failure of these systems to perform as anticipated for any reason could disrupt the Group's business and could result in decreased performance, increased operating costs and loss of customers, causing the Group's business and results of operations to suffer. Any significant interruption or failure of the Group's information systems or any significant breach of security could adversely affect its business and results of operations.

In addition, recent action by the International Maritime Organisation (IMO's) Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. For example, cyber-risk management systems must be incorporated by ship-owners and managers by 2021. This may cause companies, including the Group, to cultivate additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures.

Even if applicable to the industry generally, cybersecurity threats are of immediate concern, and constitute a potential risk, to the Group, including to its pool commercial management services (with contingent exposure not only to members of the Group but also towards third party customers).

Environmental, operational and insurance risks

As a specialised tanker owner and operator, the Group – together with the tanker industry at large – is subject to substantial and complex laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which the Group's vessels operate or are registered. Even if applicable to the industry generally, the operational implications with resulting costs and liability exposure imposed by detailed and extensive regulations is of immediate concern, and constitutes a potential risk, to the Group. Environmental-related regulations are of particular relevance and concern to a tanker owner and operator such as the Group. Relevant environmental laws and regulations include but are not limited to:

- the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the "**CLC**") entered into by many countries (other than the United States) which, subject to certain exceptions, imposes strict liability for pollution damage caused by the discharge of oil;

- the International Convention for the Prevention of Pollution from Ships ("**MARPOL**") adopted and implemented under the auspices of the International Maritime Organization, or ''IMO,'' with respect to strict technical and operational requirements for tankers;

- the IMO International Convention for the Safety of Life at Sea of 1974 ("**SOLAS**") which imposes crew and passenger safety requirements and requires the shipowner or any party with operational control of a vessel to develop an extensive safety management system;

- the International Ship and Port Facilities Securities Code (the "**ISPS Code**") which became effective in 2004;

- the International Convention on Load Lines of 1966 which imposes requirements relating to the safeguarding of life and property through limitations on load capability for vessels on international voyages;

- the U.S. Oil Pollution Act of 1990 ("**OPA**") which imposes strict liability for the discharge of oil into the 200-mile United States exclusive economic zone, the obligation to obtain certificates of financial responsibility for vessels trading in United States waters and the requirement that newly constructed tankers that trade in United States waters be constructed with double-hulls; and

- the U.S. Maritime Transportation Security Act of 2002 which imposes security requirements for tankers entering U.S. ports.

Compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's vessels. It may require the Group to obtain certain permits or authorizations and any failure to obtain such permits or authorizations could materially impact the Group's business, financial condition, results of operations and/or cash flows by delaying or limiting the Group's ability to employ the vessels it operates. For example, in connection with MARPOL regulations relating to sulphur content in marine fuels effective from 1 January 2020, the Group has installed or will install marine gas exhaust scrubbers on the large majority of the Group's owned vessels. The Group has incurred or will incur costs and additional time relating to the purchase, installation and commissioning of such equipment on its vessels, and may incur additional costs and lost time in the event of any breakdown which renders such equipment non-operational, either fully or partially. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast waters, sulphur content in marine fuel, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of the Group's ability to address pollution incidents.

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the Group to liability without regard to whether it was negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil within the 200-nautical mile exclusive economic zone around the United States (unless the spill results solely from, under certain limited circumstances, the act or omission of a third party, an act of God or an act of war). An oil spill could result in significant liability, including fines, penalties, criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages, including punitive damages, and could harm the Group's reputation with current or potential charterers of its vessels.

Any failure to comply with such laws and regulations may give rise to penalties, liabilities, operational restrictions, reputational damage or similar, which may not be recoverable within available insurance arrangements and which may have an adverse effect on the Group's business, financial condition, results of operations and/or cash flows.

The current operations of the Group's vessels owned on the water and future tankers (following completion of any such deliveries from the shipyards) will involve numerous operating hazards inherent in marine operations and the tanker industry, such as risks associated with marine disasters and pollution liability, risk of total loss of vessels, government requisitions, service downtime on its vessels, equipment defects, fires, explosions, capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Such risks could result in, among other things, damage to, or destruction of the Group's vessels and other Group property, personal injury or environmental damage and expose the Group to substantial liability for pollution to the public at large. The Group's insurance may be insufficient to cover losses that may occur to its vessels or result from their operations.

It is expected that the Group's vessels will operate in a variety of geographic regions. Consequently, the Group may be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition, results of operations and/or cash flow of the Group may accordingly be negatively affected if such events do occur. Specifically, risks related to terrorism and piracy may require the Group to make operational changes to the vessels that it owns, manages and/or operates (including but not limited to, changes to routing, obtaining additional insurances or implementing additional security measures on the vessels), which may have a material adverse effect on the Group's business and financial condition. There can be no assurance that the Group is adequately insured against all risks or that the insurers will pay a particular claim. Even if the Group's insurance coverage is adequate to cover incurred losses, the Group may not be able to timely obtain reimbursement for such losses.

Risks associated with compliance with laws and regulations and political risks

The Group's operations are subject to various laws and regulatory frameworks such as regulations relating to sanctions and export and import restrictions, including those imposed by the United States, the United Kingdom, the European Union, the United Nations. Changes to such laws including the imposition of sanctions on new entities could mean the loss of significant customers for the Group's vessels, restrictions on the Group's ability to provide bunker procurement services to certain customers or in specific jurisdictions, or delays in processing and releasing payments by the Group's counterparties or by the banks at which the Group operates its bank accounts during the resolution of any legal and regulatory compliance queries, any of which could have an adverse effect on the Group's business, financial condition results of operations and/or cash flows. Failure to comply with applicable laws, regulations and conventions may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations.

The Group operates out of multiple jurisdictions on several continents, in a tax efficient structure based on tax laws, regulations and treaties currently in force. This legal framework is sometimes inter-dependent, and often complex and subject to interpretation and change. Changes to applicable laws, rules and/or practice could result in a higher tax expense or a higher effective tax rate on the Group's future earnings and less favourable tax situations for the Group.

Even if applicable to the industry generally, the effects of adverse changes to the above-mentioned legal framework are of immediate concern, and constitute a potential risk to the Group with its multijurisdictional presence. With crude oil as a particularly sensitive commodity in international trade and of first-rate significance in sanctions measures, the Group as a tanker owner and operator is particularly exposed to the effects of trade and sanctions-related measures. It may also negatively affect demand for the Group's commercial management and bunker procurement services.

Risks related to provision of commercial management services

Unlike some other shipping companies, the Group provides services to related and independent third parties. No assurance can be given that the level of business can be maintained or developed, and there is a contingent marine professional negligence liability involved in providing such services, all of which may not be adequately covered by the Group's insurance arrangements.

Risks related to bunker oil procurement activities

The Group is involved in bunker oil procurement activities on behalf of itself and, more uniquely, third parties. It may incur losses in connection with its bunker oil procurement activities relating to counterparty default and – in relation to third parties - the supply of fuel that is off-specification and/or not suitable for customer vessel use, which could have an adverse effect on the Group's business, financial condition, results of operations and/or cash flows.

Risks related to dynamic strategy and expansion The Group has achieved its prominent position through bold initiatives over a relatively short period of time. The vision of the Group is to remain and further develop and grow as a leader in managing, owning and operating vessels and providing bunker procurement services, by continuing to develop and grow its relationships with vessel owners and charterers and potentially by selective acquisitions or joint ventures or strategic expansion into complementary service offerings. The Group may, from time to time, selectively pursue new business lines, strategic acquisitions or joint ventures it believes are complementary to its business. Existing as well as new projects entail opportunity and risk. Any strategic transaction that is a departure from the Group's historical operations in the tanker shipping industry could present unforeseen challenges and result in a competitive disadvantage relative to its more established competitors.

There is always a possibility that intended transactions may not conclude due to various execution risks related to, but not limited to, documentation, inspection of the vessel(s) and/or class records and due diligence. Thus there may be certain external and third party costs, including for example, the costs of legal and/or financial advisers, carried by the Group that are not recoverable.

Financial risks, currency hedging and interest

In order to facilitate growth, and following its aggressive expansion, the Group has incurred substantial debt. The Group is exposed to significant changes in interest rates. Any changes in interest rates will directly affect the cost of the Group's financings which are not on fixed interest rates (such as the Bonds) or refinancings as well as its returns on investments. Increases in interest rates may also indirectly affect the value of the Group's assets at the point of sale, which could impact the value of the Group's vessel portfolio.

The Group's ability to obtain new financing for its vessels, working capital, capital expenditures, acquisitions, general corporate and other purposes may be limited by its existing leverage and/or by market conditions, and no guarantee can be made that the Group will be able to raise new equity or arrange borrowing or refinancing facilities on favourable terms, or at all. Uncertainty relating to global financial markets and economic conditions may affect the Group's ability to obtain financing or refinancing and the costs of such financing or refinancing. The Group is exposed to fluctuations in foreign currency exchange rates as it generates almost all of its revenues in U.S. Dollars but incurs a portion of its expenses in other currencies including without limitation, Singapore Dollars and British Sterling, and the Group's financial condition may be adversely impacted by any strengthening of such currencies against the U.S. Dollar.

Limited legal protection

The Issuer and a majority of the Guarantors are incorporated under Marshall Islands law. The Republic of the Marshall Islands has a less developed body of securities laws as compared to Norway and provides protections for investors to a significantly lesser extent.

There is uncertainty as to whether the courts of the Republic of the Marshall Islands would (a) recognize or enforce against the Issuer, the Guarantors or their respective directors and officers judgments of courts of the Kingdom of Norway based on civil liability provisions of applicable Norwegian securities laws or (b) impose liabilities against the Issuer, the Guarantors or their respective directors and officers or those of their controlled affiliates in original actions brought in the Republic of the Marshall Islands, based on these laws. Furthermore, the level of legal protection offered to creditors in this jurisdiction may be lower than comparable jurisdictions and there may be fewer judicial cases in the Republic of the Marshall Islands interpreting the rights of creditors. As the Group's operations are world-wide, the Group may also become subject to insolvency laws in jurisdictions where the Group's vessels operate. There can be no assurance that courts in the countries in which the Group's vessels operate or are located would enforce judgments of foreign insolvency or bankruptcy courts against the Group.

Failure to obtain or retain highly skilled personnel

The Group's successful delivery of its vision depends to a significant extent on the continued services of the individual members of its management team, including the Group's Chairman Gary Brocklesby and the Group's CEO Nicolas Busch who co-founded the Group and have extensive experience in, and relationships within, the tanker shipping industry, and no assurances can be made that they or any of the other management members will remain within or available to the Group or that the Group will be able to attract suitable replacements, if necessary. Departure of management team members and key management could adversely affect the Group's business, financial condition and result of operations.

2. PERSONS RESPONSIBLE

2.1 Persons responsible for the information

Person responsible for the information contained in this Registration Document is:

Navig8 Topco Holdings Inc, with registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.

2.2 Declaration by persons responsible

Navig8 Topco Holdings Inc confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

1 November 2019

Navig8 TopCo Holding Inc
Trust Company Complex
Ajeltake Road, Ajeltake Island, Majuro,
Marshall Islands, MH96960

3. BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Registration Document, and should be read in conjunction with the other parts of this Registration Document, in particular Section 1 "Risk Factors".

3.1 Introduction of the Group

Navig8 is a fully integrated provider of shipping management services. The Group's core commercial management business is complemented by high-quality bunker procurement, technical and asset management services.

In terms of commercial management services, Navig8 operates and competes within the crude, product and chemical tanker shipping markets, with its clients being predominately ship owners and operators, as well as investment funds that wish to take a position in the tanker and chemical tanker charter market. In terms of bunker procurement services, Navig8 operates and competes within the general shipowner and operator market, with the full range of ship types supplied including without limitation, dry bulk, tanker and container ships.

Navig8 has become a leading player in multiple segments of the shipping value chain through its ability to combine business intelligence and relationship development. A Group-wide focus and significant investment in the aggregation and organization of a 24/7/365 global flow of data and insight generated from the Group's fleet and breadth of business activities, enhanced by renowned in-house research and analytical capabilities enables Navig8 to improve decision-making, maximise vessel returns and drive cost efficiencies. Managing vessel employment, technical requirements and bunkering operations in hundred of ports globally adds to the Group's extensive track record of building trust and credibility with shipowners, charterers and suppliers. The combined strength of Navig8's knowledge base and global relationship network provides an unrivalled transportation platform on which to meet customers' highly diverse shipping needs, while delivering revenue outperformance and the highest quality of service. While the Group's activities span several verticals, they operate within a single ecosystem and are grouped into two key areas: shipping services and asset management.

Shipping Services

The Group's shipping services include commercial management, technical management and bunker procurement, whereby the Group provides a one-stop shop for shipowners and operators.

- ***Commercial Management*** – The Group's 11 pools of around 150 vessels from approximately 30 pool members span the clean and dirty tanker and chemicals sectors. The Group's critical mass creates intermediation between a fragmented shipowner base and a consolidated supplier/cargo owner base. The Group's pools combine multiple like-minded shipowners with vessels of similar types and characteristics into distinct pools, each commercially managed by Navig8 as a single, coherent fleet. Revenue is collected and voyage, management, and other costs are met by the pool, with net earnings distributed monthly to shipowners based on an objective and pre-agreed vessel weighting system. The stability of the commercial management platform has driven creation of other activities to diversify revenues and provide downside protection in cyclical markets.

  Pooling offers shipowners several key benefits, including aggregation of vessels in a fleet without ceding strategic or asset control, transparency and market intelligence, flexibility to maximise utilisation of vessels, risk diversification, and market outperformance. The benefits of pooling to the Group include a captive fleet with a known minimum pool entry commitment that provides stability to commercial management revenues, a cashflow structure that makes the pools attractive counterparties to charterers and financiers, and a high-quality revenue base with over 400 chartering customers plus prioritisation of liabilities before pool distributions to shipowners.

- ***Technical Management*** – The origins of Navig8's technical management business was as a center of expertise to manage technical issues arising from its commercial management business. The technical management business comprised technical management and crewing, as well as newbuilding project advisory and supervision services (with experience of over 90 newbuilding vessels since 2013) for Navig8 owned and controlled vessels and on behalf of third-party shipowners. The technical management and crewing business was transferred out of the group in May 2019, however, we continue to provide advisory and supervision services.

- ***Bunker Procurement*** – Integr8 is the bunker procurement division of Navig8 Group and among the largest bunker procurement companies globally, supplying more than 5.5 million tonnes of marine fuels annually to service both Navig8's pool fleet and third-party shipowners. A highly-fragmented ship-owning base, combined with extensive global port infrastructure, means shipowners infrequently call most ports for bunkering operations, inhibiting their relationship-building with local and regional bunker suppliers. Leveraging Navig8's scale and negotiating power, Integr8 has become an intermediary between shipowners and suppliers that can offer better pricing and terms, vital local market intelligence and credit availability. Integr8 operates a low-risk business model, acting as a bunker broker and taking no physical supply or market risk. Driven by a significant investment in bespoke software applications, Integr8 offers market-leading price and quality discovery tools – such as its Fuel Management Solutions product – that provides transparency and information transfer to clients that bring their bunkering business exclusively to Integr8. Uniquely among its competitors, Integr8 is therefore able to aggregate annual exclusive bunkering volumes of approx. 3 million MT, which creates a virtuous cycle of purchasing power and resulting savings to customers. Profit margins are driven through a combination of information management, negotiating power, bunker credit availability and client retention. From its inception, Integr8 has operated a well-defined and consistent credit policy framework, augmented by bespoke exposure management and reporting systems, which is managed by credit risk management teams located in London and Singapore.

Asset Management

The Group has successfully cultivated asset management initiatives in partnership with many well-known US and European institutional investors. Navig8 has developed a portfolio approach to asset management strategies, ranging from short-term time charter opportunities to asset ownership and the creation of both privately-held and publicly-listed investment vehicles. The Group consistently favors countercyclical investment, where it combines the recycling of uncorrelated earnings from its shipping services business with funds from the institutional investor market. These strategies are typically characterised by three phases: investment, maturation and exit. Please see "History and Development" for investment examples.

Vision and Strategy

Using an entrepreneurial and customer-focused approach, the Group's business model is geared to unlocking value for customers and partners at all points in the shipping services chain, with the overall objective of revenue maximisation and cost optimization.

3.2 History and Development

The Company was established in September 2017, following which Navig8 Asset Management Holdings Inc, Navig8 Pte. Ltd, Integr8 Fuels Holding Inc. and Navig8 Group Holdings Inc., each became subsidiaries of the Company by way of share transfers on 14 September 2017, 22 September 2017, 24 October 2017 and 1 March 2019, respectively. While the Company was established two years ago, the Group has been active in shipping management services and asset management for more than 10 years.

The Company's immediate parent, Navig8 Limited, was established in March 2007 as the holding company of the Navig8 Group.

In 2008, the Group established its first three tankers pools (MR, Handy and V8) and expanded its capital base through investments by three minority shareholders. Navig8 operated offices in London, Singapore and Shanghai. Over the next two years, the Group established two chemicals pools (Brizo8 and Taras8) and a further tanker pool (VL8), and opened an office in Dubai in 2010.

Integr8, the Group's bunker procurement division, was established in 2011. In the same year, the Group set up an additional chemical pool (Stainless8) and opened another office in Oslo, while in 2012, the Group set up a further tanker pool (LR8) and its first dry bulk pool (Supra8), and opened an office in Athens.

In 2013, the Group established three asset-owning companies (Navig8 Crude Tankers Inc, Navig8 Product Tankers Inc and Navig8 Chemical Tankers Inc) for the purchase of newbuild vessels. In aggregate, these three companies ordered 76 newbuilding vessels (approx. USD 4.5 billion of vessel capex), and the Group proceeded to raise over USD 1.25 billion from the equity markets to support these fleet orders. The Group also set up three further pools – one tankers pool (Alpha8), one dry bulk pool (Panamax8) and one chemicals pool (Chronos8) and opened an office in Houston.

The Suez8 tanker pool was established in 2014 and the Group opened an office in Hamburg. As part of the maturation phase of its investments, the Group generated fees from pre-delivery services provided to the asset-owning companies, which continued as fleet deliveries commenced.

The Group partially exited its investment in Navig8 Crude Tankers Inc in 2015, when the company merged with Gener8 Maritime Inc, with the combined company listing on the New York Stock Exchange with the ticker "GNRT". New offices in New York, Mumbai and Istanbul were opened and an additional bulk pool (Cape8) was established.

In 2016, the Group made a strategic exit from the dry bulk pools and acquired an offshore supply vessel business, RK8 Offshore, which included offices in Cape Town, Nigeria, Congo and Angola, in addition to new office openings in Orlando and Tokyo to further support the Integr8 business.

The Group partially exited its investment in Navig8 Product Tankers Inc in 2017, when the company merged with Scorpio Tankers Inc, which was listed on the New York Stock Exchange with the ticker “STNG”.

Following both this and the earlier partial investment exits, the Group ordered eight (8) LR2 and eight (8) MR (IMO3) next-generation, eco scrubber-fitted product tankers at historically low newbuilding prices. The Group fleet investment and composition/specification reflected Navig8’s investment thesis founded on improving supply/demand fundamentals and the anticipated disruption from IMO 2020 that is expected to create an economic advantage for scrubber-fitted vessels able to continue to burn cheaper fuel in a market having to absorb the higher unit price of gas oil consumption.

In 2018, the Group established its Alta8 chemicals pool and took delivery of its first newbuildings, comprising three (3) LR2 next-generation, eco scrubber-fitted product tankers.

In 2019 to date, the Group has taken delivery of eleven (11) further newbuildings, comprising five (5) LR2 and six (6) MR next-generation, eco scrubber-fitted product tankers.

3.3 Fleet

Commercial Management

Navig8 commercially operates approximately 160 crude, product and chemical tankers. The vast majority of these vessels are operated on behalf of 3rd party pool members, with vessel types ranging from 17,000dwt Chemical Tankers to 300,000dwt Crude Carriers.

Asset Management

The Group owns 23 tankers (of which 20 vessels are fully-owned and 3 vessels are in shared ownership structures where Navig8 holds 50% of the ownership interest). The vessels range from small bunker tankers to a Very Large Crude Carrier.

VESSEL NAME	TYPE	DWT	BUILT	SHIPYARD	FLAG
DELIVERED					
Navig8 Honor	LR8	74,960	Jan-11	Sungdong	MI
Navig8 Universe	MR	45,313	Jul-13	Shina SB	MI
Navig8 Constellation	MR	45,281	Sep-13	Shina SB	MI
Miss Claudia*	MR	40,158	May-06	Shina Shibuilding	MI
Aurelia 1	Bunker	7,511	Jun-07	Drydocks World Dubai	MI
Straits Sky*	Bunker	6,863	Apr-09	Jiangmen Yinxing	SG
Leicester*	VLCC	300,852	Jan-17	SWS	MI
Navig8 Pride	LR2	110,000	Aug-18	New Times	MI
Navig8 Providence	LR2	110,000	Aug-18	New Times	MI
Navig8 Precision	LR2	110,000	Sep-18	New Times	MI
Navig8 Prestige	LR2	110,000	Jan-19	New Times	MI
Navig8 Perseverance	LR2	110,000	Apr-19	New Times	MI
Navig8 Passion	LR2	110,000	May-19	New Times	MI

Navig8 Promise	LR2	110,000	Jun-19	New Times	MI
Navig8 Prosperity	LR2	110,000	Jun-19	New Times	MI
Navig8 Grace	MR	50,000	May-19	New Times	Liberia
Navig8 Gallantry	MR	50,000	May-19	New Times	Liberia
Navig8 Guard	MR	50,000	Jul-19	New Times	Liberia
Navig8 Guide	MR	50,000	Jul-19	New Times	Liberia
Navig8 Goal	MR	50,000	Aug-19	New Times	Liberia
Navig8 Gauntlet	MR	50,000	Aug-19	New Times	Liberia
Navig8 Gratitude	MR	50,000	Sept-2019	New Times	Liberia
Navig8 Gladiator	MR	50,000	Oct-2019	New Times	Liberia

* Vessels owned 50%.

**All vessels employed in Navig8 pools, except Aurelia 1, Straits Sky and Miss Claudia.

3.4 Management

The founders of Navig8 - Gary Brocklesby (Chairman) & Nicolas Busch (CEO) - retain key positions within the Group. They have a proven ability to foresee/adapt to changes in global maritime transportation markets over the last 25 years. They are supported by a senior management team, whose breadth of experience and global network has kept and continue to keep Navig8 at the forefront of the industry. As the key management team has significant equity exposure, their interests are aligned with the financiers of the company.

3.5 Safety and Environmental Matters

Health, safety and environment (HSE) is pivotal to the Group's operations, and through the appointment of first class ship managers, the Group endeavours at all times to prevent situations that might lead to injury or damage to life, health or the environment. The Group's safety management structures are of a high standard to safeguard crew, the environment and third parties from any risk, and the Group's appointed ship managers are tasked with ensuring these standards are maintained. Through the appointment of first class ship managers, the Group places great emphasis on ensuring that its operations are compliant with current legislation and regulatory requirements.

3.6 Material Contracts

There are no material contracts that are not entered into in the ordinary course of the Issuer's or the Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or the Guarantor's ability to meet its obligation to security holders in respect of the Bonds.

3.7 Recent Investments

Principal investments since the date of the last published financial statements

There have been no principal investments made since the last published financial statements (the "**Financial Statements**").

Principal future investments

There have been no firm commitments in respect of principal investments to be made since the last published Financial Statements.

3.8 Borrowing and funding structure

There has been no change to the Issuer's share capital structure since the end of the Issuer's last financial year.

Other than the issue of the Bonds in May 2019, there has been no change to the Issuer's financial indebtedness since the end of the Issuer's last financial year and the Issuer does not expect to finance any of its activities with other financing than the Bond Issue.

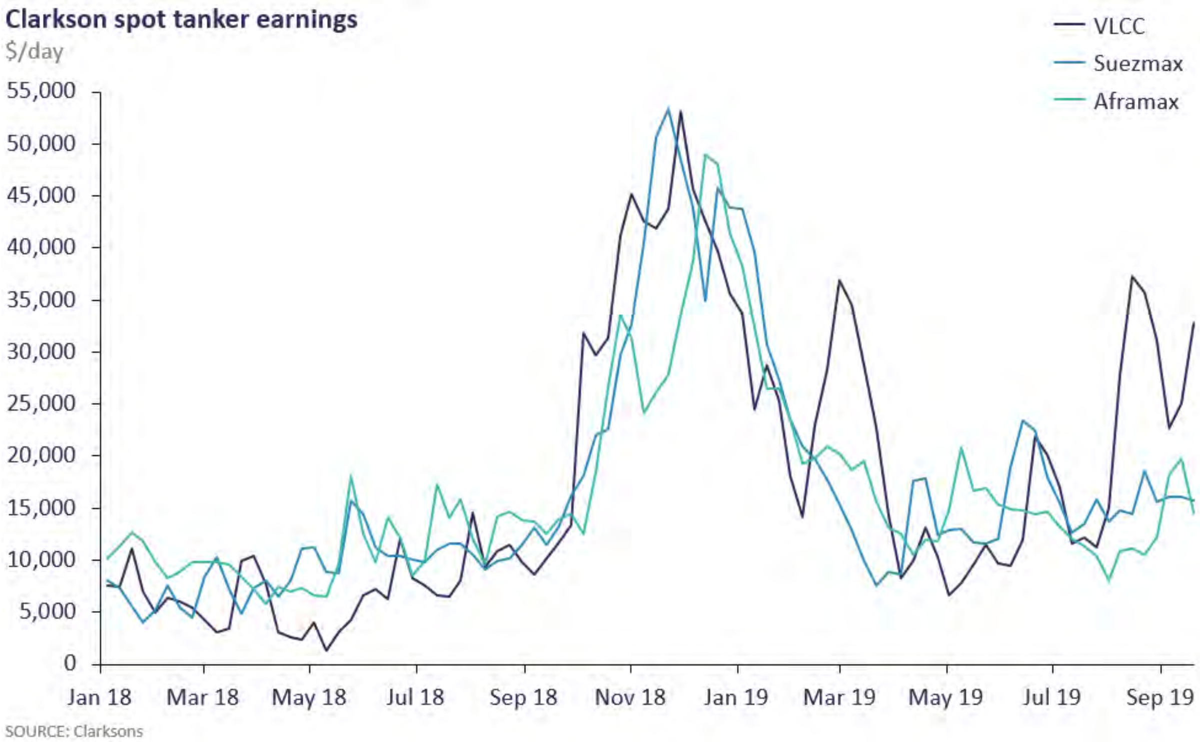
3.9 Market Overview

Introduction

The Company operates predominately in the crude, product and chemical tanker shipping markets and a market overview for each sector is set out below.

Crude Tanker Market

Despite a relatively soft market during our first financial quarter (Apr-Jun 2019), year-to-date crude tanker earnings have so far proven to be stronger year-on-year, with average earnings for Aframaxes, Suezmaxes and VLCCs up 18%, 47% and 131% at ~$13,100/day, ~$15,400/day and ~$15,500/day respectively (source: Clarksons; average of Apr-Aug monthly rates).



Although better than for the same period last year, earnings levels have remained relatively soft through our second financial quarter (Jul-Sept 2019), primarily due to continuing OPEC+ production restraints. However, signs of improvement have emerged during the latter part of the quarter, resulting in some short spikes, in particular for VLCCs (and independent of September's event-driven spike following attacks on Saudi Arabia's oil infrastructure). This has stemmed from refineries returning to production after turnarounds, a rise in floating storage (primarily of low-sulphur bunkers), and an increase in vessels heading to yards for scrubber retrofitting.

Consensus among analysts and market participants is that the crude market will further strengthen through the final calendar quarter of 2019. Among them, Norwegian bank DNB ASA ("DNB") is forecasting significantly higher average VLCC time charter rates ($55,000/day) between September and December and maintains a "….positive view on tanker rates over the next 18 months" (Crude Tanker Sector report - 6th September 2019). More widely, shipbroker Fearnleys anticipates the commencement of a new "super cycle" before the end of 2019, driven by low net fleet growth and higher transportation volumes arising from the positive impact of incoming IMO 2020[1] regulation, including an elevation in vessel scrapping and increased refinery throughput.

Higher crude runs driven by IMO 2020, which DNB estimates for 2020 at ~1 million b/d above annual crude demand growth, equates to approximately 30 VLCCs, or 60 Suezmaxes, per year. Beyond demand growth, Clarksons also expects IMO 2020 to lead to a fleet supply 'squeeze' owing to removal of vessels from the fleet for scrubber retrofitting, potential slower steaming due to the higher cost of compliant fuel, and possible port delays caused by trade disruptions and inefficiencies.

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[1] The regulatory framework, effective from 1st January 2020, that requires ships to cut sulphur oxide emissions, is commonly known as IMO2020

Continued and rapid expansion in US crude production and exports has been positive for crude tanker demand. These exports are expected to continue rising with increasing shale production and strong investment flows into US infrastructure that support long-haul, economic transportation of ever greater crude volumes. While the ongoing US-China trade war is not nominally positive for tankers, the impact has been muted for the crude market, with US-to-China crude exports being replaced by exports to other Asian countries, including South Korea and India.

On the supply side, DNB's view that a deceleration in new orders equals low fleet growth is supported by its estimate of crude tanker fleet growth falling from 5.9% in 2019 to 1.8% in 2020 and 1.4% in 2021. Furthermore, tanker orders placed since July 2019 have an average delivery timeline of 2 years (mid-2021); with the visibility on the supply side being generally good, the prospect of a significant uptick in deliveries is limited over the near/medium-term.

Perhaps in recognition of these positive indicators, resale values have strengthened. By way of example, the value of a 5-year old VLCC is 7% higher year-on-year at $70.3 million (source: VesselsValue; Sept-19). For a newbuilding resale VLCC, DNB has reported that prices have risen 15% since March 2018 to USD96m, and it sees potential for 12% further gains over the next 12 months (Crude Tanker Sector report – 6th September 2019).

Product Tanker Market

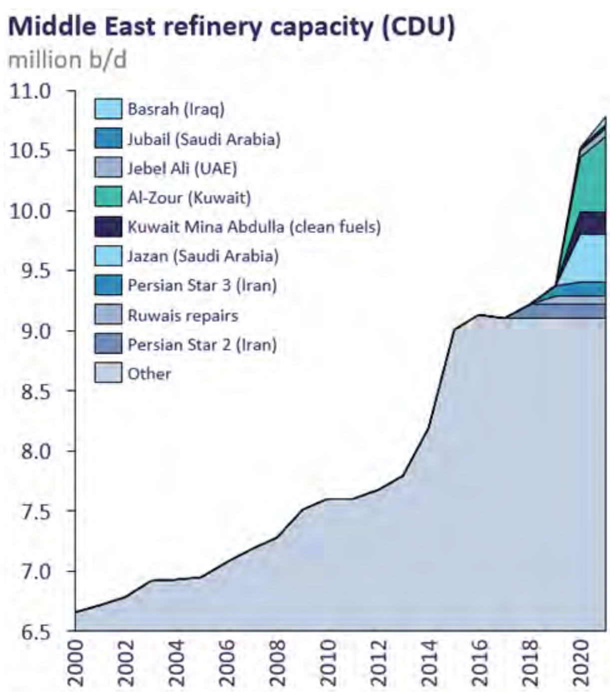
Following a similar earnings profile to the crude market year-to-date, the outlook for the product tanker market is also positive. On the demand side, and following an initial expansionary phase in 2015-16, a new period of refinery capacity additions is commencing, which is expected to result in the largest annual capacity increase this year since 1976 (~2.7 million b/d) and resulting higher distillate demand. Beyond 2019, key Middle East capacity growth is led by Saudi Arabia's 400,000 b/d Jazan and Kuwait's even larger 600,000 b/d Al-Zour projects, both of which are scheduled to come onstream in 2020. These export-focused projects are expected to increase long-haul product movements.

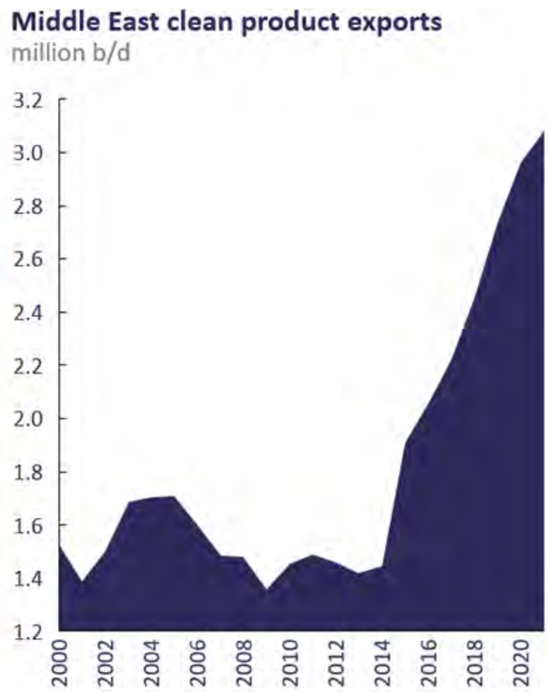
DNB sees this additional refinery capacity, combined with new Asian projects (most notably in China), exceeding growing domestic demand needs and consequently supporting increased exports, while Asia Pacific, Europe and Africa are expected to increase import levels. In addition, it expects that the effects of IMO 2020 regulatory change will further stimulate product tanker demand: front-loaded refinery maintenance during H1 2019 has paved the way for higher refinery throughput in H2 that supports freight rates during the latter part of the year. Combined with increased volatility in petroleum product prices, this has historically correlated to improved MR rates as it creates short-term arbitrage trading opportunities.

A sharp drop in newbuilding orders since 2015 has led the product tanker orderbook ratio to fall to 8%, down from as high as 19% in 2016. The material decline in newbuilding deliveries, combined with anticipated IMO2020 disruption, has led DNB to forecast effective net fleet growth at just 1.0% and 1.6% for 2019 and 2020 respectively.

As a result, DNB expects rates for modern (eco) MRs to rise ~25% over the next 2 years (to ~$19,500/day), while asset prices, which are modestly higher year-on-year, are forecast to appreciate further over the next 12 months. In its recent report, it stated: "We expect positive trends in underlying supply and demand over 2019–2022, and highlight further potential catalysts for demand from IMO 2020. Given the positive fundamentals, we have raised our 2019–2020 utilisation and freight rate estimates for the sector." (source: DNB: Product Tankers – IMO 2020 to Fuel Demand – 6th September 2019).

Fearnleys also highlights the positive impact on ton-mile demand that is expected to result from the addition of new Middle East and Asian refinery capacity, changing trade patterns, and a product tanker orderbook that is declining markedly.





SOURCE: Wood Mackenzie; Navig8 Research

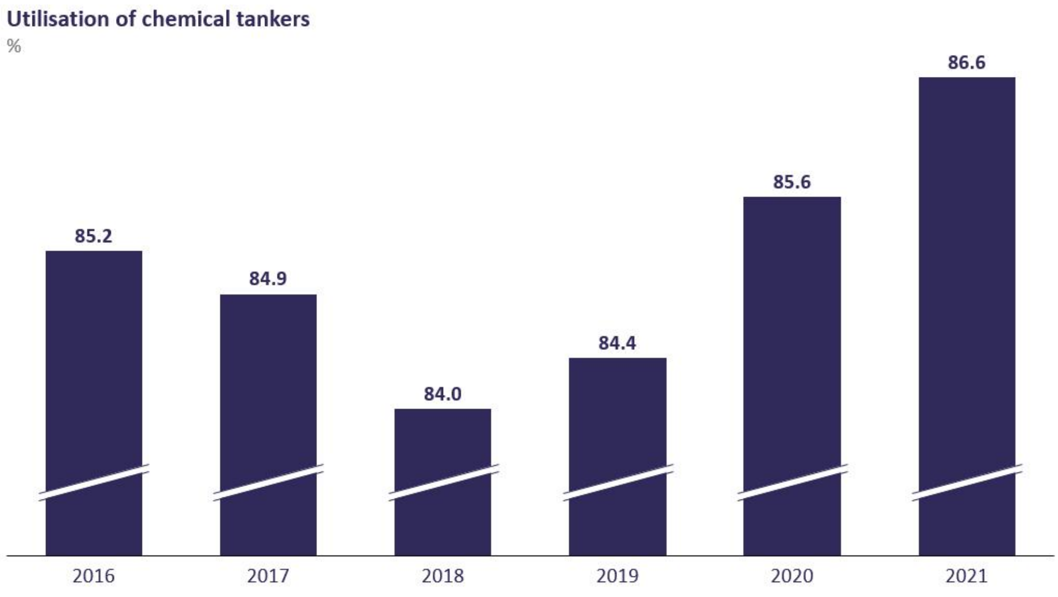
Chemical Market

The performance of the chemical tanker market has broadly followed the wider tanker market. Chemical MRs and Handys earned a premium of around \$3,500-4,500/d and \$500-1,500/d in Q2 2019 compared to equivalent-sized product tankers in Q2 2019.

Limited ordering over the last few years is slowing fleet growth for the chemical MR and Handy tanker markets, falling from 4.1% in 2018 to 2.5% expected in 2020.

Chemical production capacity gains are accelerating, supporting new long-haul chemical trades from the US & Middle East. In the last 4 years (2015-2018), growth in Middle East and US chemical capacity was 7.8 million tons; for 2019-2020, it is expected that 14 million tons of further capacity will come onstream, predominantly for export markets.

Relatively low fleet growth and increased vessel demand is expected to drive improvements in chemical tanker rates over the next several years, according to market analysts, Maritime Strategies International (“MSI”). This view is supported by continuing increases in both production in, and exports from, the US, which benefits from cheap shale gas as feedstock. MSI expects exports of US methanol to Latin America to significantly increase during 2019, combined with a new-found surge in methanol and MEG exports to Europe; these export markets are carrying the growth in chemical tanker trade while the US-China trade war plays out.



SOURCE: MSI

Bunker Market

IMO 2020 is set to drastically change the bunker landscape, both through the introduction of new fuel grades to meet tighter (0.5%) sulphur emissions regulations and the consequential disruption to supply chains and bunkering logistics it will cause. In a market historically characterized by a degree of opacity, the further complexity that IMO 2020 will create for shipowners is also expected to create volatility – and opportunity for those that can navigate this period well.

Given the operational risks that need to be managed when bunkering their vessels (e.g. to avoid damage to engines and resulting repair/offhire costs), shipowners have the additional concerns of availability and stability of fuels (beyond the usual focus on price and quality) as the market transitions to IMO 2020 over the coming months. Consequently, the need for information and advice is growing, which places sophisticated bunker procurement providers (such as Integr8 Fuels), which can guide shipowners through the complexities created by IMO 2020, in an advantageous position.

It remains unclear which IMO 2020-compliant fuel type – whether MGO or VLSFO[2] – will lead the market (for the predominant, non-scrubber fitted global fleet), particularly in the short/medium-term. Clarksons highlights an ongoing lack of information about fuel specifications, volumes and locations as factors perpetuating this lack of clarity; unsurprisingly, forecasters therefore have very different opinions on how supply of bunkers will play out in 2020.

There is also uncertainty around demand for HSFO from scrubber-fitted ships during and after the market transition. Total scrubber order estimates vary between analysts and available dry dock capacity for installation is anticipated to become an issue. The uncertainties create challenges for the bunker industry to adapt optimally, thereby creating business opportunities for the best-positioned bunker service providers.

With a fixed IMO 2020 entry-into-force date, and short window within which shipowners need to make the necessary transition, there is significant debate around the potential for significant dislocation in supply – and resulting price volatility – especially in the early months of 2020. With average unit bunker prices increasing for owners needing to purchase compliant fuels, it is expected that potential for margin development will develop, as will opportunities (for the strongest market participants) to increase sales volumes as credit availability for weaker players diminishes their capacity to continue to service their historic client base.

Sources of Industry and Market Data

To the extent not otherwise indicated, the information contained in this Registration Document on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources as well as the Company's knowledge of the markets.

Market data from Clarkson's Intelligence Network and Vessels Value is not publicly available, but can be obtained against payment through Clarkson's Intelligence Network's website www.clarksons.net or Vessels Value's website www.vesselsvalue.com. Market information from DNB is based on material distributed by DNB in their market reports. Such reports can be obtained by requesting the same from DNB.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Registration Document.

[2] MGO = Marine Gas Oil, VLSFO = Very Low Sulphur Fuel Oil

Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Registration Document and estimates based on those data may not be reliable indicators of future results.

4. FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

This section should be read together with the financial statements of the Issuer and the Guarantor's which are appended to this Registration Documents as Appendix A and Appendix B.

4.1 Introduction

The Issuer and the Guarantors prepare their financial statements in accordance with IFRS ("**IFRS**").

The audited consolidated financial statements of the Issuer for the seven months ending 31 March 2018 and the 12 months ending 31 March 2019 and the unaudited financial statements of the Issuer for the three month period ending 30 June 2019 are attached to this Registration Document – see Appendix A.

The audited financial statements of the Guarantors for the year ended 31 March 2019, which includes audited comparative 2018 figures, are attached to this Registration Documents – see Appendix B.

The historical financial information described in this Registration Document for the Group has been audited.

4.2 Legal and Arbitration Proceedings

The Group is not aware of any governmental, legal or arbitration proceedings during the course of the preceding twelve months, including any such proceedings which are pending or threatened, of such importance that they have had in the recent past, or may have, a material adverse effect on the Company or the Group's financial position or profitability.

4.3 Recent Developments

There has been no significant change in the Group's financial and trading position since the end of the last financial period for which either audited financial information or interim financial information have been published.

4.4 Trend Information

There has been no material adverse change in the prospects of the Issuer or the Guarantors since the date of the last published audited Financial Statements.

There has been no material adverse change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Registration Document.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Issuer's or the Guarantor's prospects for at least the current financial year.

4.5 Other

There are no recent events particular to the Issuer or the Guarantors which is to a material extent relevant to the evaluation of the Issuer's or the Guarantor's solvency.

5. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND SUPERVISORY BODIES

This Section contains information about the Board of Directors of the Issuer and the Guarantors, and the Group Executive Management.

5.1 Overview

The Board of Directors of each of the Issuer and the Guarantors is responsible for the overall management of the respective company. In accordance with applicable law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties.

The Group executive management is responsible for the day-to-day management of the respective company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the CEO is responsible for keeping the relevant company's accounts in accordance with existing applicable legislation and regulations and for managing the company's assets in a responsible manner. In addition, at least once a month the CEO must brief the Board of Directors about the relevant company's activities, financial position and operating results.

The Issuer and the non-Parent Guarantor's registered office address, Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, serves as c/o address for the members of the Board of Directors and the Group executive management in relation to their position in their respective Group company.

The Parent's registered office address, 5th Fl, 41 Cedar Avenue, Hamilton, HM12 Bermuda, serves as c/o address for the members of the Board of Directors and the Group's executive management in relation to their position in the Parent.

5.2 Group Executive Management

The Group's executive management currently consist of the following members as of the date of this Registration Document.

Name	**Position**
Gary Brocklesby	Group Chairman
Nicolas Busch	Group CEO
Paul Stevens	Group CFO
Jason Klopfer	Commercial Director

5.3 Board of Directors

The Issuer

The Issuer's Board of Directors consists of the following members as of the date of this Prospectus:

Name	**Position**
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

The Parent (Navig8 Limited)

The Parent's Board of Directors consists of the following members as of the date of this Registration Document:

Name	**Position**
Gary Brocklesby	Director
Nicolas Busch	Director
Philip Stone	Director
Jason Klopfer	Director
Robert Maye	Director
Garth Lorimer-Turner	Director

Integr8 Fuels Holding Inc

Integr8 Fuels Holding Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Navig8 Asset Management Holdings Inc

Navig8 Asset Management Holdings Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Navig8 Inc

Navig8 Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Navig8 Group Holdings Inc

Navig8 Group Holdings Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Gary Brocklesby	Director
Nicolas Busch	Director
Philip Stone	Director
Jason Klopfer	Director
Robert Maye	Director

Navig8 Services Inc

Navig8 Services Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Navig8 Technical Management Holdings Inc

Navig8 Technical Management Holdings Inc's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Navig8 Commercial Services Limited

Navig8 Commercial Services Limited's Board of Directors consists of the following members as of the date of this Registration Document:

Name	Position
Philip Stone	Director
Jason Klopfer	Director
Daniel Chu	Director

Principle activities of members of the executive management and board of directors

Name	Principle activities outside of the Issuer
Gary Brocklesby	Acts as Chairman of the Group and oversees all commercial areas of shipping
Nicolas Busch	Acts as Chief Executive of the Group and has overall management for the company's day-to-day operations, including risk management, finance, legal, operations, technical management and bunker broking
Paul Stevens	Acts as CFO of the Group and is responsible for the financial activities for the Group
Jason Klopfer	Acts as Commercial Director for the Group and is responsible for the Group's US operations
Philip Stone	Acts as Chief Accounting Officer for the Group, responsible for the Group's accounting and auditing functions
Daniel Chu	Acts as General Counsel for the Group, responsible for the Group's legal department
Robert Maye	Acts as Head of IT for the Group, responsible for the Group's IT systems
Garth Lorimer-Turner	Acts a non-executive director for Navig8 Limited

5.4 Disclosure of Conflicts of Interests

To the Group's knowledge, there are currently no actual or potential conflicts of interest between any duties to the Issuer, and/or to the Guarantors, of the members of the Board of Directors or the Group's executive management and their private interests and/or other duties.

6. INFORMATION ABOUT THE ISSUER AND THE GUARANTORS

The following is a summary of certain corporate information and other information relating to the Issuer and the Guarantor.

6.1 Incorporation; Registration Number; Registered Office and Other Company Information

The Issuer

The Issuer is a company existing under the laws of the Marshall Islands, with registration number 92684 and LEI-code 25490070NPSBZI4PCS52. The legal name of the Issuer is Navig8 Topco Holdings Inc and its commercial name is Navig8 Topco. The Issuer was incorporated under the laws of the Marshall Islands on 14 September 2017.

The head office and registered address of the Issuer is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH 96960. Its telephone number is +65 6622 0088 and its website is www.navig8group.com. Information contained on the Issuer's website does not form part of the Prospectus.

The Guarantors

The Parent (Navig8 Limited)

The Parent is an exempted company, incorporated under the laws of Bermuda and in accordance with the Bermuda Companies Act 1981. The legal and commercial name of the Parent is Navig8 Limited, the Parent's business registration number is 54623 and its LEI-code is 254900FZ79QUE9KPHH53. The Parent was incorporated in Jersey on 1 March 2007, and re-domiciled in Bermuda on 6 May 2019.

The head office and registered address of the Parent is 5th Fl, 41 Cedar Avenue, Hamilton Bermuda, its telephone number is +1 441 295 2043 and its website is www.navig8group.com.

Integr8 Fuels Holding Inc

Integr8 Fuels Holding Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Integr8 Fuels Holding Inc's business registration number is 44517 and its LEI-code is 254900LDPXBOIIZD1G32. The company was incorporated on 2 December 2010.

The head office and registered address of Integr8 Fuels Holding Inc is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Asset Management Holdings Inc

Navig8 Asset Management Holdings Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Asset Management Holdings Inc's business registration number is 92691 and its LEI-code is 254900PU83932K314L39. The company was incorporated on 14 September 2017.

The head office and registered address of Navig8 Asset Management Holdings Inc. is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Inc

Navig8 Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Inc's business registration number is 51582 and its LEI-code is 254900L487X6VLF55284. The company was incorporated on 18 November 2011.

The head office and registered address of Navig8 Inc is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Group Holdings Inc

Navig8 Group Holdings Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Group Holdings Inc's business registration number is 53860 and its LEI-code is 25490002A1H9KM6I8Q65. The company was incorporated on 16 March 2012.

The head office and registered address of Navig8 Group Holdings Inc is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Services Inc

Navig8 Services Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Services Inc's business registration number is 81025 and its LEI-code is 254900V5H4DY72JH9769. The company was incorporated on 14 December 2015.

The head office and registered address of Navig8 Services Inc is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Technical Management Holdings Inc

Navig8 Technical Management Holdings Inc is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Technical Management Holdings Inc's business registration number is 84139 and its LEI-code is 254900O6IJN4C7IWHQ77. The company was incorporated on 20 May 2016.

The head office and registered address of Navig8 Technical Management Holdings Inc is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

Navig8 Commercial Services Limited.

Navig8 Commercial Services Limited is a private limited liability company, incorporated under the laws of the Marshall Islands and in accordance with the Marshall Islands Business Corporations Act. Navig8 Commercial Services Limited's business registration number is 97177 and its LEI-code is 2549003FX4O9MD37ZI03. The company was incorporated in Jersey on 15 February 2011 under the name Navig8 Services Limited and re-domiciled in the Marshall Islands on 26 June 2018. Upon re-domiciliation in the Marshall Islands, the name of the company was changed to Navig8 Commercial Services Limited.

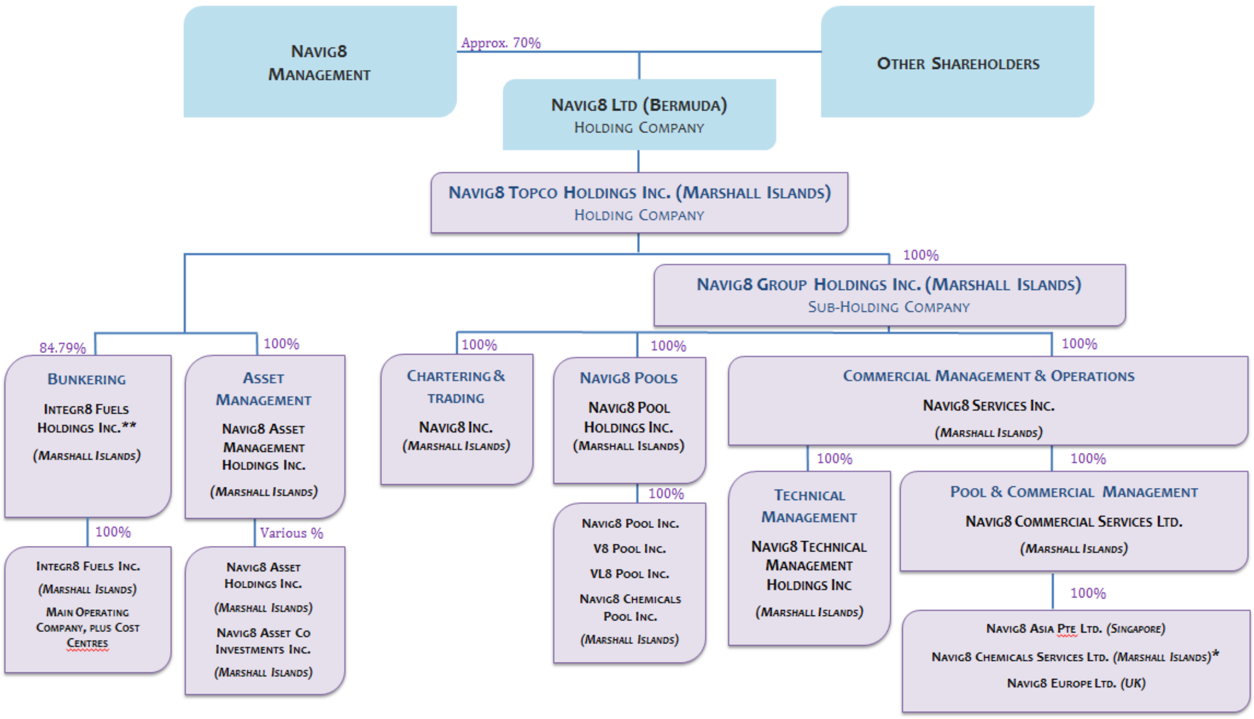
The head office and registered address of Navig8 Commercial Services Limited is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro Marshall Islands, MH96960, its telephone number is +65 6622 0088 and its website is www.navig8group.com.

All of the Guarantors' commercial names are the same as their legal names.

6.2 Organisational Structure

The Issuer is the principal sub-holding company of Navig8 Group. In relation to the Issuer's main subsidiaries, it is primarily dependent on: (a) Navig8 Commercial Services Ltd for commercial management fee income from the pools, (b) Integr8 Fuels Holdings Inc for income generated from bunker procurement activities, (c) Navig8 Inc for chartering activity profits and (d) Navig8 Asset Management Holdings Inc for operating profits in relation to Navig8 Group owned vessels.

The chart below shows the current legal structure of the Group, and the Issuer's position within the Group:



* Navig8 Chemical Services Ltd. is 65% directly owned by Navig8 Commercial Services Ltd. – remaining 35% held by funds affiliated with Oaktree Capital Management.
** Integr8 Fuels Holdings Inc. – remaining 15.21% held by internal management.
*** Sub-holding company for investment in Navig8 Chemical Tankers Inc. plus debt assumed in connection with investment.

6.3 Share Capital and Share Classes

Below is a table showing each company's share capital, as of the date of this Registration Document:

Company	Issuer share capital	Number of shares issued	Par value
The Issuer	USD 1,000.00	1,000	USD 1.00 per share
The Parent	USD 86,087,231.00	85,959 Preference Shares 85,959 A Shares 42,270 B Shares 2 Non-Redeemable Shares	USD 1,000.00 per Preference Share USD 1.00 per A Share USD 1.00 per B Share USD 1.00 per Non-Redeemable Share
Integr8 Fuels Holding Inc	USD 3,300,000	3,000,000 A Shares 300,000 B Shares	USD 1.00 per A Share USD 1.00 per B Share
Navig8 Asset Management Holdings Inc	USD 1.00	1	USD 1.00 per share
Navig8 Inc	USD 1.00	1	USD 1.00 per share
Navig8 Group Holdings Inc	USD 100.00	100	USD 1.00 per share
Navig8 Services Inc	USD 1.00	1	USD 1.00 per share
Navig8 Technical Management Holdings Inc	USD 1.00	1	USD 1.00 per share
Navig8 Commercial Services Limited	USD 1.00	1	USD 1.00 per share

Neither the Issuer's nor any Guarantor's shares are registered in any securities register. The Issuer and, except as specified in this Section 6.3 in respect of the Parent and Integr8 Fuels Holding Inc, the Guarantors have a single share class and all shares carry the same rights, including one vote per share at any meeting of shareholders of the relevant company. In respect of the Parent, A Shares are attached to Preference Shares on a 1:1 basis and only holders of A Shares and B Shares have one vote per share at any meeting of shareholders of the Parent. In respect of Integr8 Fuels Holding Inc, only holders of A shares have one vote per share at any meeting of shareholders of Integr8 Fuels Holding Inc.

6.4 Major Shareholders

As at the date of this Registration Document, the Issuer is owned 100% by Navig8 Limited as the Parent and the Parent is owned approx. 70% by individual members of Navig8's management (being Gary Brocklesby, Nicolas Busch and other senior employees of the Group) and 30% by other shareholders.

As at the date of this Registration Document, the Issuer owns 100% of the shares of Navig8 Asset Management Holdings Inc and Navig8 Group Holdings Inc, and 84.79% of the shares of Integr8 Fuels Holdings Inc. Navig8 Group Holdings Inc owns 100% of the shares of Navig8 Inc and Navig8 Services Inc, and Navig8 Services Inc owns 100% of the shares of Navig8 Technical Management Holdings Inc and Navig8 Commercial Services Limited as at the date of this Registration Document.

There are no arrangements, known to the Issuer or the Guarantors, the operation of which may at a subsequent date result in a change in control of the Issuer or the Guarantor.

6.5 Memorandum and Articles of Association

Objective of the Issuer
Pursuant to Article B of the Articles of Incorporation of the Issuer, the Issuer's objective is to engage in any lawful act or activity for which corporations may be organised under the Marshall Islands Business Corporations Act.

Objective of the Parent
Pursuant to Section 5 of the Memorandum of Continuance of the Parent, the Parent's objectives are unrestricted.

Objective of the non-Parent Guarantors
Pursuant to the Articles of Incorporation of each non-Parent Guarantor, each non-Parent Guarantor's objective is to engage in any lawful act or activity for which corporations may be organised under the Marshall Islands Business Corporations Act.

7. DOCUMENTS ON DISPLAY

Documents on Display

For twelve months from the date of this Registration Document, copies of the following documents will be available for inspection at Navig8's Singapore office, 5 Shenton Way, UIC Building #20-04, Singapore 068808 during normal business hours from Monday through Friday each week (except public holidays) and on the Group's website www.navig8.com:

- The Articles of Association and Memorandum of Incorporation of the Issuer and the Guarantors.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's or the Guarantor's request any part of which is included or referred to in the Registration Document.
- Audited financial statements of the Issuer for the seven month period ending 31 March 2018 and 12 month period ending 31 March 2019.
- Unaudited financial statements of the Issuer for the three month period ending 30 June 2019.
- Audited financial statements of the Guarantors for the financial years ended 31 March 2018 and 31 March 2019.

8. ADDITIONAL INFORMATION

8.1 Independent Auditors

The independent auditors of the Issuer and the Guarantors for the period covered by the financial information discussed in this Prospectus has been audited by Moore Stephens LLC, Singapore ("**Moore Stephens**"), with its registered address at 10 Anson Road #29-15 International Plaza, Singapore 079903, Singapore, and registration number T08LL0862H. The partners of Moore Stephens are public accountants and practicing members of Institute of Singapore Chartered Accountants.

The auditor's report to the Financial Statements is included in the appendices hereto. Other than this report, neither Moore Stephens nor any other auditor has audited or reviewed any accounts of the Group or produced any report on any other information provided in this Prospectus

8.2 Legal Advisors

Advokatfirmaet BAHR AS is acting as legal adviser to the Issuer in connection with the Listing.

8.3 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

This Prospectus has been approved by the Norwegian FSA, as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The approval given by the Norwegian FSA only relates to the information included in the Prospectus in accordance with pre-defined disclosure requirements imposed by the EU Prospectus Regulation. The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in the Prospectus. On no account must the publication or the disclosure of this Registration Document give the impression that the information herein is complete or correct on a given date after the date of this Registration Document, or that the business activities of the Issuer or its subsidiaries may not have been changed.

9. DEFINITIONS

Capitalised terms used throughout this Registration Document shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

Bonds	The debt instruments issued by the Issuer pursuant to the Bond Terms.
Bond Issue	The bond issue constituted by the Bonds.
Bond Terms	The agreement entered into on 2 May 2019 between Navig8 Topco Holdings Inc. as issuer and Nordic Trustee AS as bond trustee on behalf of the Bondholders regarding the Bond Issue and with LEI-code 549300XAKTM2BMKIPT85.
Bondholder	A holder of Bonds.
Company	The Issuer
EC Regulation 809/2004	The Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the format, incorporation by reference and publication of prospectuses and dissemination of advertisements, as amended.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 20014/71/EC.
Financial Statements	The Issuer's Financial Statements, the Parent's Financial Statements and the Guarantor's Financial Statements.
Group	Means the Issuer and its subsidiaries from time to time.
Guarantors	Means each of the Parent, Integr8 Fuels Holding Inc, Navig8 Asset Management Holdings Inc, Navig8 Inc, Navig8 Group Holdings Inc, Navig8 Services Inc, Navig8 Technical Management Holdings Inc and Navig8 Commercial Services Limited, each a "**Guarantor**".
Guarantor's Financial Statements	The Guarantor's audited financial statements as of and for the year ended 31 March 2019 which includes audited comparative 2018 figures.
IFRS	International Financial Reporting Standards and guidelines and interpretations issued thereto by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.
Institute of Singapore Chartered Accountants	The National Accounting Agency for Accountants in Singapore.
ISIN	International Securities Identification Number.
Issue	The Bond Issue.
Issuer	Navig8 Topco Holdings Inc.
Issuer's Financial Statements	The Issuer's audited consolidated financial statements as of and for seven months ended 31 March 2018 and the 12 months ended 31 March 2019, and the Issuer's unaudited financial statements for the three month period ending 30 June 2019.
Listing	The listing of the Bonds on Oslo Stock Exchange.
Manager	Pareto Securities AS.
Moore Stephens	Moore Stephens LLC, Singapore
NAS	The Norwegian Accounting Standards *(*Norwegian. *Norsk Regnskapsstandard)*
Navig8	Means the Issuer and its subsidiaries from time to time.
Navig8 Group	Means the Issuer and its subsidiaries from time to time.
Norwegian Code of Practice	The Norwegian Corporate Governance Code of 30 October 2014.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Norwegian. *Finanstilsynet*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
NUES	The Norwegian Corporate Governance Board (Norwegian. *Norsk Utvalg for Eierstyring og Selskapsledelse*).
Oslo Stock Exchange	Oslo Børs (a stock exchange operated by Oslo Børs ASA), or as the case may be, Oslo Axess (a regulated market place operated by Oslo Børs ASA).
p.a.	Per annum.
Parent	Navig8 Limited, a corporation incorporated under the laws of Bermuda with registration number 54623.
Parent's Financial Statements	The Parent's audited consolidated financial statements as of and for the year ended 31 March 2019 which includes audited comparative 2018 figures..

Prospectus	This Registration Document together with the Securities Note and the Summary.
Prospectus Directive..........................	Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, regarding information contained in prospectuses.
Registration Document.......................	This Registration Document dated 1 November 2019.
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive.
Securities Note	Document describing the terms of the Bond Issue.
Summary	Document setting out the key contents of the Registration Document and the Securities Note.
VPS	The Norwegian Central Securities Depository (Norwegian. *Verdipapirsentralen*).

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APPENDIX A – ISSUER'S FINANCIAL STATEMENTS

Index to Financial Information **Page**

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS
AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2018

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

31 MARCH 2018

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NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

FOR THE FINANCIAL PERIOD
FROM 14 SEPTEMBER 2017 TO 31 MARCH 2018

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 consolidated financial statements of Navig8 Topco Holdings Inc and its subsidiaries (the "Group") for the financial period from 14 September 2017 (date of incorporation) to 31 March 2018.

Principal Activities

The principal activities of the Group are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management.

Results for the Period

The results of the Group for the financial period is presented on page 8.

Dividends

The directors do not propose the payment of dividend for the financial period.

REPORT OF THE DIRECTORS (CONTINUED)

Directors Responsibilities

The directors are responsible for preparing the consolidated financial statements of the Group for the financial period from 14 September 2017 (date of incorporation) to 31 March 2018 which give a true and fair view of the state of affairs of the Group and the results of the Group for the financial period then ended. In preparing these consolidated 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 consolidated financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and to ensure that the consolidated financial statements comply with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Group 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 Group 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 27 September 2019
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)

AND ITS SUBSIDIARIES

Opinion

We have audited the consolidated financial statements of Navig8 Topco Holdings Inc (the "Company") and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 March 2018 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial period from 14 September 2017 (date of incorporation) to 31 March 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 March 2018, and its consolidated financial performance and its consolidated cash flows for the financial period from 14 September 2017 (date of incorporation) to 31 March 2018 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

Key Audit Matter (cont'd)

Key Audit Matter	**How our audit addressed the key audit matter**
Impairment assessment of vessels We refer to Note 2(l), Note 2(o), Note 3(a)(i) and Note 13 to the financial statements. The carrying value of the Group's vessels amounted to US$184.5 million as at 31 March 2018. The Group's vessels are measured at cost less accumulated depreciation and impairment loss. Management considers each vessel to be a separate cash generating unit. Following the less than favourable outlook of the industry, the Group carried out a detailed impairment review of the vessels. The Group determined the recoverable amount for each vessel based on the higher of the fair value of the vessel less the estimated costs of disposal and the carrying value of the vessels based on the "value-in-use" methodology. As a result of the assessment, no impairment loss has been recognised for the financial year ended 31 March 2018. In arriving at the fair value of the vessels, management has assessed that the third party brokers had the required competence and capability to perform the valuations. Management had considered the appropriateness of the valuation methodologies and assumptions used by the brokers. The determination of the recoverable amount of the vessels based on "value-in-use" methodology involves a high degree of management estimates and judgment, in particular on freight rates, operating costs, estimated utilisation, and pre-tax discount rates.	**Our response** We have performed the following audit procedures: • We assessed the Group's process for identifying and reviewing the cash generating unit subject to impairment testing. • We evaluated the independence, competency and objectivity of the third party brokers engaged to determine the fair value of the vessel. We reviewed the valuation methodologies used by the brokers in determining the vessel valuations and compared the valuation against market comparable. • We assessed the methodologies used by management to estimate the value-in-use calculations of the vessels. We checked the accuracy and relevance of the input data used by management to estimate the value-in-use calculations compared to information obtained from reputable industry sources. We performed a sensitivity analysis and headroom analysis on the key assumptions, where necessary. **Our findings** We found the significant estimates, judgements and assumptions made by management to determine the recoverable amounts of the vessels to be reasonable based on available evidence.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

Other Information

Management is responsible for the other information. The other information comprises the information included in the Prospectus, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 consolidated 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 Group's internal control.

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

- 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 consolidated 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial 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.

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
27 September 2019

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 14 SEPTEMBER 2017 TO 31 MARCH 2018

	Note	Period from 14.9.2017 to 31.03.2018 US$'000
Revenue	5	1,225,125
Operating expenses	6	(1,205,925)
Net impairment loss on trade receivables	6	(2,897)
Profit from operations		16,303
Other income	7	436
Other expenses	8	(181)
Administrative expenses	9	(8,593)
Finance income	10	12
Finance costs	11	(4,127)
Share of losses in associates	16	(622)
Profit before income tax		3,228
Income tax refund	12	62
Net profit for the financial period		3,290
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Fair value loss recognised on financial assets at fair value through other comprehensive income	15	(11,040)
Other comprehensive loss		(11,040)
Total comprehensive loss for the financial period		(7,750)
Net profit for the period attributable to:		
Owners of the Group		2,660
Non-controlling interests	22	630
		3,290
Total comprehensive loss for the financial period attributable to:		
Owners of the Group		(8,380)
Non-controlling interests	22	630
		(7,750)
Earnings per share		
Basic	31	2,660
Diluted	31	2,660

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

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CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2018

	Note	2018 US$'000
ASSETS		
Non-Current Assets		
Vessels	13	184,470
Other fixed assets	14	123
Financial assets	15	10,758
Interests in associates	16	40,892
		236,243
Current Assets		
Inventories	17	2,799
Trade and other receivables and prepayments	18	290,993
Cash and bank balances	19	18,825
		312,617
Total Assets		548,860
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Share capital	20	1
Reserves	21	(51,286)
Total equity attributable to the owners of the Group		(51,285)
Non-controlling interests	22	6,765
		(44,520)
Non-Current Liabilities		
Bank loan	23	563
Other borrowings	24	114,573
		115,136
Current Liabilities		
Bank loan	23	2,252
Other borrowings	24	9,111
Short-term borrowings	25	73,716
Trade and other payables	26	393,100
Income tax liabilities		65
		478,244
Total Liabilities		593,380
Total Equity and Liabilities		548,860

Director **Director**

NAVIG8 TOPCO HOLDINGS INC
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AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 14 SEPTEMBER 2017 TO 31 MARCH 2018

	Attributable to equity owners of the Group					
	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total attributable to owners of the Group US$'000	Non-controlling Interests US$'000	Total Equity US$'000
As at the date of incorporation	-	-	-	-	-	-
Net profit for the period	-	-	2,660	2,660	630	3,290
Other comprehensive loss	-	(11,040)	-	(11,040)	-	(11,040)
Total comprehensive income/(loss) for the financial period	-	(11,040)	2,660	(8,380)	630	(7,750)
Issuance of share capital	1	-	-	1	-	1
Business combinations under common control (Note 4(Ai))	-	-	(42,437)	(42,437)	5,666	(36,771)
Effect of dilution of interest in subsidiaries	-	-	(469)	(469)	469	-
Balance as at 31 March 2018	1	(11,040)	(40,246)	(51,285)	6,765	(44,520)

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 14 SEPTEMBER 2017 TO 31 MARCH 2018

	Period from 14.9.2017 to 31.03.2018 US$'000
Cash Flows from Operating Activities	
Profit before income tax	3,228
Adjustments for:	
Depreciation of vessels, pre-delivery costs, other fixed assets and amortisation of dry-docking costs	2,434
Interest expense	3,956
Interest income	(12)
Impairment loss on trade receivables	3,450
Write back of impairment loss on trade receivables	(553)
Share of losses in associates	622
Unrealised foreign exchange gain	(206)
Dividend income from financial assets	(82)
Operating cash flows before working capital changes	12,837
Changes in working capital:	
Inventories	(2,799)
Trade and other receivables and prepayments (including accrued receivables)	118,373
Trade and other payables	(52,980)
Cash generated from operations	75,431
Income tax refund	26
Interest received	12
Interest paid	(3,956)
Net cash generated from operating activities	71,513
Cash Flows from Investing Activities	
Payments for vessels and dry-docking costs	(74,602)
Purchase of other fixed assets	(6)
Purchase of financial assets	(21,798)
Purchase of interests in associates	(11,829)
Dividends received from financial assets	82
Net cash inflow from acquisition of interests in subsidiaries under common control	9,816
Loan to associates	(9,784)
Net cash used in investing activities	(108,121)

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 14 SEPTEMBER 2017 TO 31 MARCH 2018

(cont'd)

	Period from 14.9.2017 to 31.03.2018 US$'000
Cash Flows from Financing Activities	
Proceeds from issuance of share capital	1
Deposit pledged with financial institutions	(788)
Proceeds from bank loans and other borrowings	64,406
Proceeds from short-term borrowing	16,618
Repayment of bank loans and other borrowings	(25,592)
Net cash generated from financing activities	54,645
Net increase in cash and bank balances	18,037
Cash and bank balances at the date of incorporation	-
Cash and bank balances at the end of the financial period (Note 19)	18,037

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

	Balance at date of incorporation US$'000	Cash flows Proceeds US$'000	Cash flows Repayments US$'000	Non-cash changes (i) US$'000	Balance at 31 March US$'000
2018					
Bank loans and other borrowings (Notes 23 and 24)	-	64,406	(25,592)	87,685	126,499
Short-term borrowings (Note 25)	-	16,618	-	57,098	73,716

(i) Relates to an amount of US$144.8 million arising from the acquisition of interests in subsidiaries under common control during the financial period ended 31 March 2018 (Note 4(Ai))

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 Company is principally an investment holding company. The principal activities of the Company, its subsidiaries and joint venture (collectively, the "Group") are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management. Details of principal activities, countries of incorporation and extent of the Company's equity interest in subsidiaries are set out in Note 4 to the consolidated financial statements.

The immediate and ultimate holding company has appointed its subsidiary, Navig8 Asia Pte. Ltd., to act as the commercial manager for its principal shipping-related activities. Navig8 Asia Pte. Ltd.'s registered office and principal place of business is 5 Shenton Way, #20-04 UIC Building, Singapore 068808.

The Company's immediate and ultimate holding company is Navig8 Limited, a company domiciled at 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. In the opinion of the directors, the Group has no controlling party.

The board of directors has authorised the issue of the consolidated financial statements on the date of the Report of the Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements which are expressed in United States dollar, have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the consolidated financial statements.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New/Revised IFRS

The Group has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2017. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Group. They did however give rise to additional disclosures including, in some cases, revisions to accounting policies.

Amendments to IAS 7 *Statements of Cash Flows*

The amendments require new disclosure about changes in liabilities arising from financing activities in respect of:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchange rates;
- changes in fair values; and
- other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities.

The application of this amendment has had no impact on the financial position or financial performance of the Group when implemented. The above disclosure is provided in the consolidated Statement of Cash Flows.

New/Revised IFRS issued but not yet effective

As at the date of these consolidated financial statements, the Group has not adopted the following revised and amended IFRS that have been issued and are relevant to the Group, but are not yet effective:

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 changes the revenue recognition model under IFRS. The core principle of IFRS 15 is to recognise the revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The standard is effective for annual period beginning on or after 1 January 2018. The Group plans to adopt IFRS 15 on 1 April 2018. Management assessed that the adoption of IFRS 15 will not have a significant impact on the financial performance or financial position of the Group.

2 Significant Accounting Policies (cont'd)

(a) Basis of Accounting (cont'd)

New/Revised IFRS issued but not yet effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 was introduced to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. This standard also provides a simplified hedge accounting model that will align more closely with the entity's risk management strategies. The standard is effective for annual period beginning on or after 1 January 2018. The Group plans to adopts IFRS 9 on 1 April 2018 without restating prior period information. Any differences between the previous carrying amounts and revised carrying amounts of affected assets and liabilities are recognised in opening retained earnings on 1 April 2018. The expected impacts on adoption of IFRS 9 are described below.

- Classification and measurement of financial assets, available-for-sale

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under IFRS 9 as follows:

Financial assets with a fair value of US$10.8 million will be reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 April 2018.

- Classification and measurement of financial assets

The Group plans to apply the simplified impairment approach to recognise only lifetime expected credit loss impairment charges on all trade receivables. The Group does not expect the adoption of this standard to have a significant financial impact on the consolidated financial statements. The Group is in the process of finalising its expected credit loss estimation which may vary upon completion.

IFRS 16 *Leases*

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. 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. The standard is effective for accounting periods beginning on or after 1 January 2018.

2 Significant Accounting Policies (cont'd)

(a) Basis of Accounting (cont'd)

New/Revised IFRS issued but not yet effective (cont'd)

IFRS 16 *Leases* (cont'd)

The Group plans to adopt IFRS 16 on 1 April 2018 based on a permitted transition 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 2018. The Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 April 2018 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 March 2018. The Group also plans to adopt an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

As disclosed in Note 29, the Group has entered into various operating lease arrangements as lessee. As at 31 March 2018, the minimum lease payments committed under non-cancellable operating leases amounted to US$46 million. As at 1 April 2018, the Group expects an increase in right-of-use assets of approximately US$7.4 million, an increase in lease liabilities of US$7.4 million. The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures*

The amendments clarify that IFRS 9 *Financial Instruments*, including its impairment requirements, applies to long-term interests in an associate or joint venture to which the equity method is not applied but, in substance, form part of the net investment in associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2018. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

<u>New/Revised IFRS issued but not yet effective</u> (cont'd)

Amendments to IFRIC 23 *Uncertainty over Income Tax Treatments*

The interpretation clarifies that in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity first determines whether to consider each uncertain tax treatment separately or together as a Group. An entity should determine the accounting tax position, on the assumption that a taxation authority has the right to examine the amounts reported to them and has full knowledge of all relevant information. IFRIC 23 provides the following guidance on determining an entity's accounting tax positions:

i. If it is probable that taxation authority will accept the uncertain tax treatment, the entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with tax treatment used or planned to be used in the entity's income tax filings.
ii. If it is not probable, an entity should estimate the effect of uncertainty in determining the related accounting tax position, using either the most likely amount or expected value method, depending on which method better predicts the resolution of uncertainty.

The interpretation is effective for annual periods beginning on or after 1 January 2018. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 12 *Income Taxes*

This amendment requires an entity to recognise the income tax consequences of dividends paid in profit or loss, other comprehensive income, or equity, according to where the entity originally recognised those past transactions or events. The tax consequences should be recognised when the liability to pay the dividend is recognised. The standard is effective for annual periods beginning on or after 1 January 2018. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 23 *Borrowing Costs*

This amendment clarifies that after a qualifying asset is ready for its intended use or sale, any outstanding borrowings made specifically to obtain that qualifying asset should be included within the pool of general borrowings used to calculate capitalised borrowing costs. The standard is effective from 1 January 2018. The standard is effective for annual periods beginning on or after 1 January 2018. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/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. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

Amendments to IFRS 3 *Definition of Business*

The amendments confirm that a business must include inputs and a process. The amendments also clarify that the process must be substantive, and the inputs and process must significantly contribute to creating outputs. The revised definition of a business focuses on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs. A new optional test is available to assess whether a business has been acquired, when the value assets acquired is concentrated in a single asset or group of similar assets. The standard is effective for annual periods beginning on or after 1 January 2020. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

(b) Functional Currency and Foreign Currency Translation

Functional and presentation currency

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group are presented in United States dollar (US$), which is also the functional and presentation currency of the Company. All values are rounded to the nearest thousand (US$'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 balance sheet date are recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

Translation and balances (cont'd)

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.

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

i. assets and liabilities are translated at the closing rates at the reporting date;

ii. income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii. all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity. These currency translation differences are reclassified to profit or loss as disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve. Any currency translation differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

(c) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A contract asset (accrued receivables) is the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Customer presents the contract as a contract liability (deferred income) when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 Significant Accounting Policies (cont'd)

(c) Revenue Recognition (cont'd)

Bunker trading income

Bunker trading income is recognised at a point in time when the ownership of the bunkers have been transferred to the customer.

Voyage charter freight income

Voyage charter freight income is recognised over time as the performance obligation is satisfied, based on the percentage of completion method calculated on a load-to-discharge basis over the voyage period. The Group capitalised such related costs as they were incremental and expected to be recovered. Full provision is made for any losses on voyages in progress at the reporting date.

Time and bareboat charter income

Time charter and bareboat charter income is recognised on a time-apportioned basis over the charter period. Provision is made for all charter-hire receivables on the reporting date in respect of time charter voyages in progress.

Commission income and administration fees

Commission income relates to the commercial and technical management services provided. Commission income is recognised on completion of the related voyage or charter period.

Sale and purchase commission income relates to the services provided for newbuilding vessels. It is recognised in line with the payment of instalments to shipyards.

Administration fees are recognised over time based on vessel trading days for vessels under management.

Pool revenue and expenses

Pool revenue is measured based on a time charter equivalent basis based on voyage returns adjusted for off-hire days and pool score allocated to each vessel on entry into the Pools. Pool revenue and voyage expenses are recognised in accordance with the earnings allocated to the Group's vessels.

Management fees

Management fees are recognised over the service period.

Gain from derivatives trading

Gain from derivatives trading comprises all fair value gains or losses resulting from financial derivatives contracts and securities trading. All open contracts and securities are marked to market based on settlement prices.

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

(c) Revenue Recognition (cont'd)

Interest income

Interest income is recognised on an accrued basis using the effective interest method.

(d) Employee Benefits

Short-term benefits

All short-term employee benefits including accumulating compensated absences are recognised in profit or loss in the period in which the employees rendered their services to the Group.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current period. The Group's contribution to defined contribution plans are recognised in the financial period to which they relate.

Employee leave entitlement

Employees' entitlement to annual leave is recognised when accrued. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(e) Interest Expense

Interest expense is recognised in profit or loss using the effective interest method except for those costs that are directly attributable to bank loans acquired specifically for the acquisition or construction of qualifying assets. The actual borrowing cost incurred for such qualifying assets during the relevant period are capitalised in the cost of the qualifying assets.

(f) Income Taxes

Tax expense comprises income tax and deferred tax.

Income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method.

2 Significant Accounting Policies (cont'd)

(f) Income Taxes (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the year in which the liability is settled or the asset utilised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unutilised allowances and losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

(g) Subsidiaries

Consolidation

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

Subsidiaries are entities (including structured entities) over which the Group have control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the subsidiaries financial statements to ensure consistency of accounting policies with that of the Group.

Acquisition of business

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2 Significant Accounting Policies (cont'd)

(g) Subsidiaries (cont'd)

Acquisition of business (cont'd)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest and fair value of the previous equity interest measured is less than the fair value of the net identifiable assets of the acquiree in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Business combination involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity "acquired" is reflected within the equity as other reserve.
- The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(h) Non-Controlling Interest

Non-controlling interest represents equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. These are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(i) Inventories

Inventories comprising bunkers on board vessels are stated at lower of cost or net realisable value. The cost is determined using the first-in, first-out basis. The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Investments in Associates and Joint Venture

Associates companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisitions

Investments in associates companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates companies and joint venture represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Acquisitions (cont'd)

Negative goodwill (i.e. excess of the Group's share of the net fair value of the associate or joint venture's identifiable assets and liabilities over the cost of the investment) is included as income as part of the entity's share of the associate of joint venture's profit or loss in the period in which the investment is acquired.

Equity method of accounting

In applying the equity method of accounting, the Group's share of its associates companies and joint venture's post acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates companies and joint venture are adjusted against the carrying amount of the investments. When the Group's share of losses in an associates company or joint venture equals to or exceeds its interest in the associates company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associates company or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits are equal to the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates companies and joint venture are eliminated to the extent of the Group's interest in the associates companies and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates companies and joint venture have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Disposals

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Disposals (cont'd)

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

(k) Joint Operations

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any asset held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

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

2 Significant Accounting Policies (cont'd)

(k) Joint Operations (cont'd)

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(l) Vessels

Vessels are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost includes the acquisition cost, pre-delivery costs and any directly attributable costs of bringing the vessels to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the vessel only when it is probable that future economic benefits associated with the costs will flow to the Group and the cost can be measured reliably. All other routine repair and maintenance expenses are recognised in profit or loss when incurred.

Vessels under construction are stated at cost, less any recognised impairment loss in accordance with the installment payments agreed upon.

On disposal of a vessel, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation is provided on a straight-line basis on carrying amounts less residual values, over the estimated useful life of 25 years, in accordance with common industry practice.

Residual values are based on lightweight tonnage and the market price for scrap steel paid on demolition of tankers as at the balance sheet date. The residual values and useful lives are reviewed and adjusted as appropriate, at each balance sheet date.

(m) Drydocking and Special Survey Costs

Drydocking and special survey costs are capitalised and depreciated on a straight-line basis over the estimated period (generally between 3 to 5 years) to the next drydocking.

2 Significant Accounting Policies (cont'd)

(n) Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost of the assets comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of other fixed assets, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Other fixed assets are depreciated over the following periods on a straight line basis less any recognised impairment loss:

	Useful lives
Office equipment	5 years
Furniture and fittings	3-5 years
Computer equipment	3 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of other fixed assets are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(o) Impairment of Non-Financial Assets, excluding Goodwill

At each balance sheet date, the Group reviews the carrying amount of its tangible assets to determine whether there is any objective evidence or indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is the higher of fair value less costs of disposal and value in use and is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying value, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2 Significant Accounting Policies (cont'd)

(o) Impairment of Non-Financial Assets, excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(p) Financial Assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

o *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" at the balance sheet date.

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Trade receivables that are factored to banks with recourse to the Group are not derecognised. The corresponding cash received from the banks is recorded as short-term borrowings.

Cash and cash equivalents comprise cash on hand and short term bank deposits which are subject to an insignificant risk of changes in value.

o *Financial assets, available-for-sale*

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

Classification (cont'd)

o *Financial assets, available-for-sale* (cont'd)

Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale, are recognised separately in income. Changes in the fair value available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve within equity. Changes in the fair value of available-for-sale equity securities (i.e. non-monetary assets) are recognised in the fair value reserve within equity, together with the related currency translation differences.

Financial assets, available-for-sale that do not have a quoted market active price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses subsequent to initial recognition. If the range of reasonable fair value measurements is significant and the probability of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

o *Loans and receivables*

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance for impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

o *Financial assets, available-for-sale*

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the investment is impaired.

The cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(q) Cash and Bank Balances

Cash and bank balances comprise cash on hand, short-term bank deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and bank balances are shown net of restricted bank deposits.

(r) 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.

Preference shares are classified as equity as they are non-redeemable or redeemable only at the Company's option, and any dividends are discretionary.

The Company's own ordinary and preference shares, which were re-acquired by the Company were cancelled and the amount equivalent to their nominal value was shown as a movement in share capital. The premium paid on the shares repurchased and cancelled was charged against retained earnings. No gain or loss is recognised in profit or loss on the cancellation of shares.

2 Significant Accounting Policies (cont'd)

(s) Financial Liabilities

Classification

The Group classifies its financial liabilities either as financial liabilities at fair value through profit or loss or as other financial liabilities (for Trade and Other Payables, Bank Loans, Short-term and Other Borrowings and Finance Lease Obligations). The classification depends on the substance of the contractual arrangements entered into and the definition of a financial liability. Financial liabilities are recognised initially at fair value plus, in the case of a financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner prescribed in Note 28 to the consolidated financial statement.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

(i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

(ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

(iii) it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the hybrid contract (asset or liability) to be designated as at fair value through profit or loss.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the tenure of the loans using the effective interest method.

2 Significant Accounting Policies (cont'd)

(s) Financial Liabilities (cont'd)

Other financial liabilities (cont'd)

Short-term and other borrowings

Short-term and other borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost.

(t) Lease Payments

Leases, Group as lessee

Finance lease

Property, plant and equipment leases in which a significant portion of the risks and rewards of ownership are transferred by the lessor to the Group are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

The corresponding rental obligations, net of finance charges, are included in other current and non-current liabilities. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income by a seller-lessee. Instead, it shall be deferred and amortised over the lease term. If the leaseback is an operating lease, and the lease payments and the sale price are at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately.

IFRS 9 is applied for the collateralised financial liabilities that are resulted from sale and leaseback transactions that do not contain a lease in substance. The liability is amortised at cost, each lease payment is allocated between the liability and finance charges according to the effective interest method.

2 Significant Accounting Policies (cont'd)

(t) Lease Payments (cont'd)

Leases, Group as lessee (cont'd)

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Rental income from operating lease contracts, where the Group acts as the lessor, are recorded in other operating income on a straight line basis over the period of the lease.

Arrangements' containing a lease agreement

At inception of an arrangement, the Group determines whether such an arrangement is or contain a lease. In order to determine if the arrangement includes a finance lease component or other lease agreement the criteria in IFRIC 4 'Determining whether an Arrangement contains a Lease' is used. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
(b) the arrangement conveys a right to use the asset.

If the arrangement includes a lease, IAS 17 is applied to determine whether it is an operating or financial lease as described above. Other elements of the arrangement are recognised according to the relevant standards.

Operating Leases - Where the Group is the lessor

Income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

(u) Dividends

Dividends are recognised as a liability when declared at the Annual General Meeting by the Company's shareholders.

2 Significant Accounting Policies (cont'd)

(v) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the key management whose members are responsible for allocating resources and assessing performance of the operating segments.

(x) Fair Value Estimation of Financial Assets and Liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

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

2 Significant Accounting Policies (cont'd)

(y) 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.

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 venture 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 consolidated financial statements. They affect the application of the Group'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.

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

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the asset is estimated to determine the impairment loss. In making this judgment, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In determining the fair value less costs of disposal, the Group has obtained valuation reports from third party sources. The valuation of the vessels was prepared assuming a sale between a willing seller and a willing buyer on a charter-free basis.

The carrying amount of the Group's vessels as at 31 March 2018 amounted to US$184.5 million. No impairment loss has been recognised for the financial period ended 31 March 2018. Further details are given in Note 13 to the consolidated financial statements. For the value in use calculations, if the estimated revenue from future cash flows for the Group's vessels are reduced by 10% compared to management's estimates, there would be no impact on the Group's results for the financial period ended 31 March 2018.

The carrying amount of the Group's interest in associates as at 31 March 2018 amounted to US$40.9 million. No impairment loss has been recognised for the financial period ended 31 March 2018. Further details are given in Note 16 to the consolidated financial statements.

(ii) Useful lives of vessels and other fixed assets and residual value of vessels

The Group determines the estimated useful lives and related depreciation charges for its vessels and other fixed assets. This estimate is based on the historical experience of the actual useful lives of vessels and other fixed assets of a similar nature and function. Changes in the remaining useful life of the vessel and other fixed assets and residual value, determined based on year end scrap rates, technical innovations and competitor actions, would result in an adjustment to the current and future rate of depreciation through profit or loss. Management will increase the depreciation charge where useful lives are less than previously estimated. Management will write-off or write-down technically obsolete assets. The carrying amounts of the Group's vessels and other fixed assets as at 31 March 2018 was US$184.6 million. Further details are given in Notes 13 and 14 to the consolidated financial statements.

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

(a) Key Sources of Estimation Uncertainty (cont'd)

(ii) Useful lives of vessels and other fixed assets and residual value of vessels (cont'd)

If depreciation on the vessels and other fixed assets is increased by 10% from management's estimates, the Group's results for the financial period ended 31 March 2018 will decrease by US$0.2 million.

(b) Critical Judgments in applying Accounting Policies

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

(i) Loss allowance for receivables (including accrued receivables)

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(p) to the consolidated financial statements. This assessment is based on the credit history of its customers and other debtors and current market conditions. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying amount of the Group's total trade and other receivables and accrued receivables at 31 March 2018 amounted to US$291.0 million. The information about the expected credit losses on the Group's trade and other receivables and accrued receivables is disclosed in Notes 18 and 28 to the consolidated financial statements.

During the financial period ended 31 March 2018, the Group provided an impairment loss on trade receivables of US$3.5 million and write-back of impairment loss of US$0.6 million.

(ii) Leases

In making an evaluation, judgment is used in determining lease classification in accordance with Note 2(v) to the consolidated financial statements.

During the financial period, the Group entered into contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Management has applied its judgment and applied IFRIC 4 "Determining whether an Arrangement contains a Lease". Management has assessed that the agreements entered into between the Group and third parties do not qualify for sale-leaseback accounting, either as a result of a purchase obligation or as a result of a purchase option which constitutes a form of continuing involvement by the Group in the vessel.

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

(b) Critical Judgments in applying Accounting Policies (cont'd)

(ii) Leases (cont'd)

In the case of the purchase options, the Group has applied its judgment and determined that the exercise of purchase options is "almost certain" and treated the lease as a financing arrangement. Further details are set out in Notes 13 and 24 to the consolidated financial statements.

(iii) Contingencies

The Group is involved, from time to time, in the course of its business, in disputes resulting from its operating activities, which may or may not result in legal action being taken by or against the Group.

Based on consultations with its legal counsel, management considers the likely outcome of the disputes in which it is currently involved and has concluded it will not have a material impact on the consolidated financial statements.

4 Organisation and Trading Activities

The Group's operations were carried out during the financial period through main offices in Singapore, the United Kingdom, United States of America, India, China, United Arab Emirates ("UAE"), Greece, Germany, Norway and Japan.

(A) Subsidiaries

The principal subsidiaries are as follows:

	Country of Domiciliation/ Incorporation	Percentage of Holding 2018 %	
(i) Investment holding			
Apollo Shipping Inc	Marshall Islands	100	(e),(f)
Navig8 Asset Co Investments Inc	Marshall Islands	100	(e),(f)
Navig8 Asset Holdings Inc	Marshall Islands	100	(e),(f)
Navig8 Asset Management Holdings Inc	Marshall Islands	100	(e),(f)
Pythagoras Corporation Ltd	Marshall Islands	100	(e),(f)
Integr8 Fuels Holding Inc	Marshall Islands	85.8	(e),(f)

4 Organisation and Trading Activities (cont'd)0

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

	Country of Domiciliation/ Incorporation	Percentage of Holding 2018 %	
(ii) Ship chartering			
Navig8 Pte Ltd	Singapore	100	(a),(f)
(iii) Ship owning			
Apollo Shipping 1 Inc Corporation	Marshall Islands	100	(d),(f)
Apollo Shipping 2 Inc Corporation	Marshall Islands	100	(d),(f)
Apollo Shipping 3 Inc Corporation	Marshall Islands	100	(d),(f)
Apollo Shipping 4 Inc Corporation	Marshall Islands	100	(d),(f)
Straits Shipping 2 Corporation	Marshall Islands	100	(d),(f)
Navig8 Constellation Corporation	Marshall Islands	100	(d),(f)
Navig8 Universe Corporation	Marshall Islands	100	(d),(f)
Pythagoras Corporation 1 Inc	Marshall Islands	100	(d),(f)
Pythagoras Corporation 2 Inc	Marshall Islands	100	(d),(f)
Pythagoras Corporation 3 Inc	Marshall Islands	100	(d),(f)
Pythagoras Corporation 4 Inc	Marshall Islands	100	(d),(f)
(iv) Bunker trading			
Integr8 Fuels Inc	Marshall Islands	85.8	(d),(f)
(v) Bunker brokerage			
Integr8 Fuels America LLC	USA	85.8	(c),(f)
Integr8 Fuels Asia Pte Ltd	Singapore	85.8	(a),(f)
Integr8 Fuels DMCC	Dubai	85.8	(b),(f)
Integr8 Fuels Europe Ltd	United Kingdom	85.8	(c),(f)
Integr8 Fuels Germany GmbH	Germany	85.8	(c),(f)
Integr8 Fuels Greece S.A.	Greece	85.8	(c),(f)
Integr8 Fuels India Private Limited	India	85.8	(b),(f)
Integr8 Fuels Japan KK	Japan	85.8	(b),(f)
Integr8 Fuels Oslo AS	Norway	85.8	(c),(f)
Integr8 Turkey Akaryakit Tic.Ltd.	Turkey	85.8	(d),(f)

(a) Audited by Moore Stephens LLP, Singapore.
(b) Audited by a member firm of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
(c) Audited by BDO LLP (London).

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

(d) Subsidiary companies which are not required to be audited by the law in their country of incorporation. However, the financial statements were audited in accordance with IFRS for consolidated purposes by Moore Stephens LLP, Singapore
(e) Audited by PricewaterhouseCoopers, Singapore.
(f) During the financial period ended 31 March 2018, interests in these subsidiaries involving entities under common control were transferred to this Group.

(Ai) Acquisition of interests in subsidiaries under common control

During the financial period ended 31 March 2018, the Group acquired interests in subsidiaries (identified in Note 4(A)(f), involving entities under common control. These are subsidiaries previously held by its immediate and ultimate holding company, Navig8 Limited or held by its related parties. Business combination involving entities under common control are accounted for in accordance with accounting policies disclosed in Note 2(g) to the consolidated financial statements.

The carrying values of the acquired identifiable assets and liabilities assumed are as follows:

	At carrying values 2018 US$'000
Vessels (Note 13)	112,266
Other fixed assets (Note 14)	153
Interests in associates (Note 16)	19,901
Trade and other receivables *	412,057
Cash and cash equivalents	9,816
Total assets	554,193
Bank loan and other borrowings	87,685
Short-term borrowings	57,098
Trade and other payables	451,746
Income tax liabilities	101
Total liabilities	596,630
Total identifiable net liabilities	(42,437)
Add: Non-controlling interest at carrying amount	5,666
Total business combinations under common control	(36,771)

* Trade and other receivables acquired included allowance for impairment loss on trade receivables of US$2.8 million as disclosed in Note 28 to the consolidated financial statements.

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

(Ai) Acquisition of interests in subsidiaries under common control (cont'd)

	2018 US$'000
Consideration transferred	-
Less: Cash and cash equivalents	9,816
Net cash inflow arising from the acquisition of interests in subsidiaries under common control	9,816

(B) Jointly-controlled Operations

The principal jointly-controlled operations are as follows:

Name of Pool	Principal Activities	Country of incorporation
MR Pool	Commercial employment and operation of Pool vessels	Marshall Islands
LR8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Alpha8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
V8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Suez8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Stainless8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Brizo8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Chronos8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
VL8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands

The aggregate information of jointly-controlled operations that are not individually material are summarised as follows:

	2018 US$'000
Current assets	6,112
Current liabilities	6,112
The Group's share of net revenue from Pools	20,045

4 Organisation and Trading Activities (cont'd)

(C) Non-controlling Interest

The details of non-wholly owned subsidiaries of the Group that have a material non-controlling interest as at 31 March are as follows:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interest 2018 %	Profit allocated to non-controlling interest 2018 US$'000	Accumulated non-controlling interest 2018 US$'000
Integr8 Fuels Inc	14.2	832	7,224

The following table summarises the financial information in respect of the subsidiaries that had a material non-controlling interest. The summarised financial information represents amounts before intragroup eliminations.

	Integr8 Fuels Inc Period from 14.09.2017 to 31.03.2018
Summarised balance sheet	
Assets - current	297,072
Liabilities - current	(246,197)
Net assets	50,875
Attributable to owners of the Group	43,651
Non-controlling interest	7,224

4 Organisation and Trading Activities (cont'd)

(C) Non-controlling Interest (cont'd)

	Integr8 Fuels Inc Period from 14.09.2017 to 31.03.2018
Summarised Profit or Loss	
Revenue	1,154,724
Expenses	(1,148,864)
Net profit for the period	5,860
Other comprehensive income	-
Total comprehensive income for the period	5,860
Total comprehensive income attributable to owners of the Group	5,028
Total comprehensive income attributable to non-controlling interest of the Group	832
Cash flows	
Cash flows generated from operating activities	19,353
Cash flows used in investing activities	(66,401)
Cash flows generated from financing activities	66,716

5 Revenue

Revenue of the Group consists of the following:

	Period from 14.09.2017 to 31.03.2018 US$'000
Performance obligations satisfied at a point in time	
Bunker trading income	1,187,003
Commission income	6,748
	1,193,751
Eliminations	(34,970)
	1,158,781
Performance obligations satisfied over time	
Voyage charter freight income	65,107
Time and bareboat charter income	1,251
Administration fees	-
Management fees	2,029
	68,387
Eliminations	(2,043)
	66,344
	1,225,125

5 Revenue (cont'd)

The revenue streams per each business segment are shown before elimination in line with the way the businesses are managed. The total revenue figure is stated after elimination of intercompany revenue.

6 Operating Expenses

	Period from 14.09.2017 to 31.03.2018 US$'000
Bunkers	1,144,566
Hire expenses	48,743
Ports, canals and towage	2,443
Commission expenses	3,364
Running costs	3,930
Depreciation of vessels and pre-delivery costs (Note 13)	1,852
Amortisation of drydocking costs (Note 13)	546
Others	481
	1,205,925
Impairment loss on trade receivables	3,450
Write back of impairment loss on trade receivables	(553)
	2,897
	1,208,822

7 Other Income

	Period from 14.09.2017 to 31.03.2018 US$'000
Dividend income from financial assets	82
Other income	354
	436

8 Other Expenses

	Period from 14.09.2017 to 31.03.2018 US$'000
Foreign exchange loss - net	181

9 Administrative Expenses

Administrative expenses include the following significant balances:

	Period from 14.09.2017 to 31.03.2018 US$'000
Salaries and other staff costs:	
- Administrative staff salaries and bonus	5,275
- Employer's social security and pension contribution	455
- Staff welfare and other staff costs	410
Office rental and utilities	563
Consultancy and other professional fees	661
Depreciation of other fixed assets (Note 14)	36

10 Finance Income

	Period from 14.09.2017 to 31.03.2018 US$'000
Interest income from bank balances	12

11 Finance Costs

	Period from 14.09.2017 to 31.03.2018 US$'000
Interest expense	3,956
Bank charges	171
	4,127

12 Income Tax Refund

	Period from 14.09.2017 to 31.03.2018 US$'000
Income tax refund attributable to profit is made up of:	
- Current financial period	(62)

Reconciliation between income tax refund and accounting profit at applicable tax rate:

	Period from 14.09.2017 to 31.03.2018 US$'000
Profit before income tax	3,228
Income tax calculated at applicable tax rate	100
Recognition of previously unrecognised tax losses	(178)
Tax effect of expenses not taxable for tax purposes	16
Tax refund	(62)

Expenses not claimed for tax purposes relate to certain operating expenses of subsidiaries which are not deductible for tax purposes in the jurisdiction where these subsidiaries operate.

13 Vessels

	Vessels US$'000	Vessels under construction US$'000	Drydocking Costs US$'000	Pre-delivery Costs US$'000	Total US$'000
2018					
Cost					
At date of incorporation	-	-	-	-	-
Additions (Note 4(Ai))	7,110	104,799	87	270	112,266
Additions	72,687	-	837	1,078	74,602
At 31 March 2018	79,797	104,799	924	1,348	186,868
Accumulated depreciation					
At date of incorporation	-	-	-	-	-
Charge for the financial period	1,789	-	546	63	2,398
At 31 March 2018	1,789	-	546	63	2,398
Net book value					
At 31 March 2018	78,008	104,799	378	1,285	184,470

14 Other Fixed Assets

	Office and Computer Equipment US$'000	Furniture and Fittings US$'000	Motor Vehicles US$'000	Total US$'000
2018				
Cost				
At date of incorporation	-	-	-	-
Additions (Note 4(Ai))	75	78	-	153
Additions	6	-	-	6
At 31 March 2018	81	78	-	159
Accumulated depreciation				
At date of incorporation	-	-	-	-
Charge for the financial period	24	12	-	36
At 31 March 2018	24	12	-	36
Net book value				
At 31 March 2018	57	66	-	123

15 Financial Assets

As at reporting date, the details of the Group's financial assets are as follow:

	2018 US$'000
Quoted equity investment, at fair value (Note 15a)	
- classified as Available-for-sale	10,758

(a) Movement in Quoted Equity Investment, at Fair Value:

	2018 US$'000
At date of incorporation	-
Additions [(1)]	21,798
Fair value loss recognised during the year:	
- FVOCI, recognised in other comprehensive income	(11,040)
At 31 March	10,758

16 Interests in Associates

	2018 US$'000
Cost of investments	31,730
Share of losses in associates	(622)
	31,108
Amounts due from associates [1]	9,784
At 31 March	40,892
Representing:	
At date of incorporation	-
Additions (Note 4(Aiii))	19,901
Additions	11,829
Share of losses for the current financial period	(622)
At 31 March	31,108

[1] The amounts due from associates represent quasi-equity loans which are stated at cost as the repayments are neither planned nor likely to occur in the foreseeable future. It is impractical to determine the terms of repayment as the timing of future cash flows cannot be measured reliably.

Details of the associates are as follows:

Name	Country of Incorporation	Effective interest held by the Group 2018 %	Note
D8 Product Tankers I LLC	Marshall Islands	50	(a),(b)
Herakleitos 3050 LLC	Marshall Islands	50	(a),(b),(d)
Navig8 Chemical Tankers Inc	Marshall Islands	3	(b),(c),(e)
SWS VLCC JV LLC	Marshall Islands	50	

Details of the associates are as follows:

(a) Audited by Moore Stephens LLP, Singapore.
(b) The reporting date of the companies is 31 December. For the purpose of applying the equity method of accounting, the financial statements of these companies for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2018.
(c) Audited by PricewaterhouseCoopers AS, Oslo, Norway.
(d) The Group is deemed to have significant influence in Navig8 Chemical Tankers Inc as the ultimate holding company holds a further 17% interest in the entity.

16 **Interests in Associates** (cont'd)

The following table summarises the financial information in respect of the material associate. The summarised financial information below represents amounts before intragroup eliminations.

SWS VLCC JV LLC

	2018 US$'000
Current assets	2,929
Non-current assets	86,734
Current liabilities	5,866
Revenue	1,783
Loss from continuing operations	(581)
Total comprehensive loss	(581)

Reconciliation of the above summarised financial information to the carrying amount of the interest in SWS VLCC JV LLC recognised in the financial statements:

	2018 US$'000
Net assets of SWS VLCC JV LLC	36,740
Proportion of the Group's ownership	50%
Carrying amount of the Group's interest	18,370
Aggregate carrying amount of the Group's interests in these associates	12,738

17 Inventories

	2018 US$'000
Bunkers, at cost	2,799

The bunker cost incurred during the financial period is presented under operating expenses (Note 6).

18 Trade and Other Receivables and Prepayments

	2018 US$'000
Trade receivables:	
Third parties	190,064
Less: Allowance for impairment losses	(5,549)
	184,515
Other receivables:	
Third parties	21,042
Related parties	83,353
Derivative asset	268
	104,663
Prepayments	1,815
	290,993

During the financial period ended 31 March 2018, the Group has factored trade receivables to a financial institution in exchange for cash. The business model is to hold the assets to collect contractual cash flows. The transaction has been accounted for as a collateralised borrowing as the Group retains the risk in the event of default by these customers.

As at 31 March 2018, the carrying amount and fair values of the transferred receivables is US$86.7 million and the carrying amount of the associated liability is US$73.7 million.

The exposures to credit and currency risks are disclosed in Note 28 to the consolidated financial statements.

19 Cash and Bank Balances

	2018
	US$'000
Cash at banks and on hand	18,825

Cash and bank balances in the consolidated statement of cash flows comprise:

	2018
	US$'000
Cash and bank balances	18,825
Less: Bank balances pledged with financial institutions	(788)
Cash and bank balances as disclosed in the consolidated statement of cash flows	18,037

The weighted average effective interest rate on bank deposits as at 0.2% per annum.

20 Share Capital

	2018	
	No. of shares	Amount
		US$'000
Issued and fully paid shares:		
At date of incorporation	-	-
Issuance of shares	1,000	1
At 31 March	1,000	1

There is no par value for these ordinary shares.

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

21 Reserves

	2018
	US$'000
Fair value reserve	(11,040)
Retained earnings	(40,246)
At 31 March	(51,286)

21 Reserves (cont'd)

Fair value reserve

The fair value reserve records the cumulative fair value changes of financial assets, available-for-sale until they are de-recognised or impaired. The movement of the Group's fair value reserve during the financial period is as follows:

	2018 US$'000
At date of incorporation	-
Fair value loss recognised during the financial period	(11,040)
At 31 March	(11,040)

22 Non-Controlling Interests

	2018 US$'000
At date of incorporation	-
Business combinations under common control (Note 4(Ai))	5,666
Share of profits for the financial period	630
Effect of dilution of interest in subsidiaries	469
At 31 March	6,765

23 Bank Loan

	2018 US$'000
Bank loan	
- Non-current	563
- Current	2,252
	2,815

The weighted average interest rate for the bank loan is 4.7% per annum with maturity period of 2 years. The bank loan is secured by a corporate guarantee from the ultimate holding company.

There were no defaults or breaches of loan agreement terms during the financial period ended 31 March 2018.

24 Other Borrowings

	2018 US$'000
Other borrowings	
- Non-current	114,573
- Current	9,111
	123,684

The weighted average interest rates for the other borrowings range from 5% to 7% per annum with maturity periods from 2 to 10 years.

During the financial period ended 31 March 2018, the Group through its subsidiaries entered into various contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Where no obligation to purchase the vessels is included, the Group has applied its judgment and determined that the exercise of the purchase option is "almost certain" and treated as financing arrangements. The ultimate holding company provides guarantees of the obligations entered into by the subsidiaries.

25 Short-term Borrowings

During the financial period ended 31 March 2018, the Group benefited from credit-line facilities obtained by some of its pools and bunker trading division. The facilities are secured by a floating charge over the assets of the borrower and are made available through draw-downs in tenures of not more than 120 days. The average interest rate is 4.0% per annum.

Short-term borrowings related to the pools represent the Group's share of the facilities on consolidation of the pools' assets and liabilities. There were no defaults or breaches of terms of the facilities during the financial period.

26 Trade and Other Payables

	2018 US$'000
Trade payables	166,437
Accruals	14,618
Other payables	8,607
Related parties	203,438
	393,100

27 Segment Information

Information concerning about reportable segments for the financial period are as follows:

- Asset Management – includes voyage charter freight income and time and bareboat charter income.
- Services – includes bunker trading income, commission income, administration fees and management fees.

A) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
2018					
Revenue	66,359	1,195,780	1,262,139	(37,014)	1,225,125
Operating expenses	(64,011)	(1,181,825)	(1,245,836)	37,014	(1,208,822)
Profit from operations	2,348	13,955	16,303	-	16,303
Other income	98	338	436	-	436
Other expenses	(5)	(176)	(181)	-	(181)
Administrative expenses	(603)	(7,990)	(8,593)	-	(8,593)
Finance income	2	10	12	-	12
Finance costs	(2,363)	(1,764)	(4,127)	-	(4,127)
Share of losses in associate	(622)	-	(622)	-	(622)
(Loss)/Profit before income tax	(1,145)	4,373	3,228	-	3,228
Income tax refund	-	62	62	-	62
Net (loss)/profit for the financial period	(1,145)	4,435	3,290	-	3,290

B) Reconciliation

(i) Segment assets

	2018 US$'000
Asset Management	329,794
Services	284,731
Total segment assets	614,525
Eliminations	(65,665)
Consolidated total assets	548,860

27 Segment Information (cont'd)

B) Reconciliation

(ii) Segment liabilities

	2018 US$'000
Asset Management	(414,354)
Services	(236,792)
Total segment liabilities	(651,146)
Eliminations	57,766
Consolidated total liabilities	(593,380)

C) Other segment information

	Group	
	Depreciation and amortisation 2018 US$'000	Additions to non-current assets 2018 US$'000
Asset Management	2,399	74,602
Services	35	6
Total	2,434	74,608

28 Financial Risk Management Objectives and Policies

A) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including charter rate risk, interest rate risk and foreign currency risk), credit risk and liquidity risk arising in the normal course of the Group's business. The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market Risk (cont'd)

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk because entities in the Group borrow at fixed and floating rates. The risk is managed by maintaining an appropriate mix of fixed and floating borrowings, including the use of swaps and other financial instruments where appropriate.

The Group has no significant interest bearing assets, other than bank deposits and cash equivalents. The Group has no significant interest bearing liabilities, other than bank loans and finance lease obligations and the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

The tables below set out the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the maturity dates.

	Variable rates			Fixed rates				
	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Non-Interest Bearing US$'000	Total US$'000
2018								
Assets								
Cash and bank balances	18,825	-	-	-	-	-	-	18,825
Trade and other receivables (except prepayments)	-	-	-	-	-	-	289,178	289,178
Total financial assets	18,825	-	-	-	-	-	289,178	308,003
Liabilities								
Trade and other payables	-	-	-	-	-	-	393,100	393,100
Bank loan	2,252	563	-	-	-	-	-	2,815
Other borrowings	7,639	44,245	38,450	1,472	26,796	5,082	-	123,684
Short-term borrowings	73,716	-	-	-	-	-	-	73,716
Total financial liabilities	83,607	44,808	38,450	1,472	26,796	5,082	393,100	593,315

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(i) Interest rate risk (cont'd)

A 3% increase/(decrease) in the interest rates of underlying borrowings at the reporting date would result in a corresponding (decrease)/increase of profit before income tax as follows:

	2018 US$'000
Profit before income tax	16

This analysis assumes that all other variables remain constant.

(ii) Foreign currency risk

The Group is not exposed to significant foreign currency risk on its operating activities as most transactions and balances are denominated in United States dollar, as shown below.

	United States Dollar US$'000	Singapore Dollar US$'000	Pound Sterling US$'000	Others US$'000	Total US$'000
2018					
Financial assets					
Cash and bank balances	17,105	87	-	1,633	18,825
Trade and other receivables (except prepayments)	284,525	39	613	4,001	289,178
	301,630	126	613	5,634	308,003
Financial liabilities					
Trade and other payables	(389,309)	(249)	(623)	(2,919)	(393,100)
Bank loans	(2,815)	-	-	-	(2,815)
Other borrowings	(123,684)	-	-	-	(123,684)
Short-term borrowings	(73,716)	-	-	-	(73,716)
	(589,524)	(249)	(623)	(2,919)	(593,315)
Currency exposure on net financial (liabilities)/assets		(123)	(10)	2,715	

Management is of the view that the foreign currency risk is not significant to warrant disclosure of a sensitivity analysis.

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk

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

The Group's primary exposure to credit risk arises through its trade and other receivables. It is the Group's policy to enter into transactions with creditworthy customers to mitigate any significant credit risk. The Group has procedures in place to control credit risk and exposure to such risk is monitored on an ongoing basis.

The Group'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 consolidated balance sheet.

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

Trade Receivables

The gross and net carrying amount of trade receivables are set out in Note 18 to the consolidated financial statements. The table below is an analysis of trade receivables at the reporting date:

The movement in allowance for impairment of trade receivables is as follows:

	2018 US$'000
At date of incorporation	-
Additions [Note 4(Ai)]	2,831
Impairment loss for the financial period (Note 6)	3,450
Impairment loss written back for the financial period (Note 6)	(553)
Impairment written off	(179)
At 31 March (Note 18)	5,549

The impaired trade receivables arose from long outstanding amounts which remained unpaid at the reporting date and accordingly there are significant uncertainties on the recovery of the amounts. None of the trade receivables that have been written off is subject to enforcement activities.

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

The table below is an analysis of trade and other receivables as at 31 March 2018:

	2018 US$'000
Not past due and not impaired	284,416
Past due but not impaired *	4,762
Past due and impaired	5,549
	294,727
Less: Allowance for impairment losses	(5,549)
Trade and other receivables, net	289,178

* Aging of trade receivables that are past due but not impaired:

	2018 US$'000
Past due:	
- Up to three months	2,728
- More than three months	2,034
	4,762

(c) Liquidity Risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

A) Financial Risk Factors (cont'd)

(c) Liquidity Risk (cont'd)

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.

	Carrying Amounts	Cash Flows			
		Contractual cash flows	Within one year	Between two to five years	After five years
	US$'000	US$'000	US$'000	US$'000	US$'000
2018					
Trade and other payables	(393,100)	(393,100)	(393,100)	-	-
Bank loans	(2,815)	(3,209)	(706)	(2,503)	-
Other borrowings	(123,684)	(152,297)	(15,671)	(86,476)	(50,150)
Short-term borrowings	(73,716)	(73,716)	(73,716)	-	-
	(593,315)	(622,322)	(483,193)	(88,979)	(50,150)

B) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to operate as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders, to support the Group's stability and growth; and to provide capital for the purpose of strengthing the Group's financial management capability. There is no change in its capital management policy during the current financial periodand previous financial period.

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

Capital includes share capital, reserves and interest bearing debts.

The Group monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as short and long-term debts over total assets. Short and long-term debts comprise short-term borrowings, other borrowings and the bank loan.

	2018
	US$'000
Short and long-term debts	200,215
Total assets	548,860
Leverage ratio	36%

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

B) Capital Risk Management (cont'd)

The Group does not have to comply with any externally imposed capital requirements for the financial period ended 31 March 2018.

C) Fair Value Estimation

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(i) Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
Group				
At 31 March 2018				
Financial assets	10,758	-	-*	10,758

* less than US$1,000

Financial assets

Transfer of financial assets

The Group's policy is to regard transfers between fair value levels as having occurred at the date of the event giving rise to those transfers.

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

C) Fair Value Estimation (cont'd)

(i) Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (cont'd)

Level 1 Fair value measurement

The fair value of the securities is measured based on the current bid price of the financial asset as at period end.

Other than as disclosed above, there were no transfer in each Level during the financial period ended 31 March 2018.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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 bank loans and other borrowings compared to fair values are shown below:

	2018	
	Carrying value US$'000	Fair value US$'000
Bank loans and other borrowings	126,499	127,310

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.

Fair value hierarchy

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
At 31 March 2018				
Financial liabilities				
Bank loans and other borrowings	-	127,310	-	127,310

29 Commitments

(a) As Lessee

The Group has operating lease commitments for office premises.

Office Rentals

The Group has entered into several commercial leases for the office premises and facilities for lease terms of between two to five years. There are no restrictions placed upon the Group by entering into these leases. At the reporting date, the future minimum rental payables under non-cancellable operating leases is as follows:

	2018 US$'000
Due:	
Within one year	136
Between two to five years	337
	473

(b) Capital Commitments

Capital expenditures contracted for as at 31 March but not recognised in the financial statements is as follows:

	2018 US$'000
Commitments related to shipyard instalments	498,876

30 Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered the following material related party transactions:

Key Management Personnel

The Group's key management decisions are undertaken by its directors. The directors are employed and remunerated by its related parties, Navig8 Asia Pte. Ltd. and Navig8 Risk Management Pte. Ltd., which are incorporated in Singapore.

31 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares issued during the financial period as follows:

	2018 US$'000
Net profit attributable to equity holders of the Group	2,660
Weighted average number of ordinary shares outstanding for basic earnings per share	1
Basic earnings per share	2,660

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Group and the weighted average number of ordinary shares issued are adjusted for the effects of all dilutive potential ordinary shares.

There are no potential dilutive shares during the financial period ended 31 March 2018. Accordingly, the diluted earnings per share is computed to be the same as the basic earnings per share for the financial year ended 31 March 2018.

32 Comparative Figures

The consolidated financial statements for the current financial period from 14 September 2017 to 31 March 2018 is the first set of financial statements of the Group since its incorporate. Accordingly, no comparative figures are presented.

33 Events after the Reporting Date

Transfer of shares under common control

Subsequent to the financial period, the ultimate holding company transferred its 100% shareholdings interests in certain subsidiaries and 50% shareholdings in Straits Shipping 4 Pte. Ltd. to the Group under common control.

Bonds issuance

On 3 May 2018, the Company issued US$100 million senior secured bonds. These bonds will mature on 3 May 2023.

Merger of Ship Management services with Suntech Maritime Pte. Ltd.

On 15 May 2018, the Group disposed a 50% interest in its Ship Management division, which provides technical management services to Suntech Maritime Pte. Ltd. Upon the disposal, the Group holds a 50% interest in Suntech Ship Management Pte. Ltd. (formerly known as Navig8 Ship Management Pte. Ltd.) through a 50% interest held by Technical Investments Inc in Suncorp Holdings Inc, holding company of Suntech Maritime Pte. Ltd.

Delivery of vessels from New Times Shipbuilding

Subsequent to the financial period, the Group has taken delivery of six 49,000DWT and four 110,600DWT scrubber fitted vessels from New Times Shipbuilding. These vessels will be entered into and operated in the Group's commercial pools.

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS
AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

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NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR 31 MARCH 2019

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 consolidated financial statements of Navig8 Topco Holdings Inc and its subsidiaries (the "Group") for the financial year ended 31 March 2019.

Principal Activities

The principal activities of the Group are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management.

Results for the Year

The results of the Group for the financial year is presented on page 8.

Dividends

A dividend of US$5.9 million (2018: Nil) was approved and paid out as an appropriation of retained earnings for the financial year ended 31 March 2019.

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR 31 MARCH 2019

REPORT OF THE DIRECTORS (CONTINUED)

Directors Responsibilities

The directors are responsible for preparing the consolidated financial statements of the Group for the financial year ended 31 March 2019 which give a true and fair view of the state of affairs of the Group and the results of the Group for the financial year then ended. In preparing these consolidated 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 consolidated financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and to ensure that the consolidated financial statements comply with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Group 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 Group 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 27 September 2019
and signed on its behalf by,

....

DANIEL CHUNG YAN CHU

....

PHILIP ANDREW STONE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

Opinion

We have audited the consolidated financial statements of Navig8 Topco Holdings Inc (the "Company") and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 March 2019 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 March 2019, and its consolidated financial performance and its consolidated cash flows for the year 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

Key Audit Matter (cont'd)

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of vessels We refer to Note 2(l), Note 2(o), Note 3(a)(i) and Note 13 to the financial statements. The carrying value of the Group's vessels amounted to US$460.4 million as at 31 March 2019. The Group's vessels are measured at cost less accumulated depreciation and impairment loss. Management considers each vessel to be a separate cash generating unit. Following the less than favourable outlook of the industry, the Group carried out a detailed impairment review of the vessels. The Group determined the recoverable amount for each vessel based on the higher of the fair value of the vessel less the estimated costs of disposal and the carrying value of the vessels based on the "value-in-use" methodology. As a result of the assessment, no impairment loss has been recognised for the financial year ended 31 March 2019. In arriving at the fair value of the vessels, management has assessed that the third party brokers had the required competence and capability to perform the valuations. Management had considered the appropriateness of the valuation methodologies and assumptions used by the brokers. The determination of the recoverable amount of the vessels based on "value-in-use" methodology involves a high degree of management estimates and judgment, in particular on freight rates, operating costs, estimated utilisation, and pre-tax discount rates.	**Our response** We have performed the following audit procedures: • We assessed the Group's process for identifying and reviewing the cash generating unit subject to impairment testing. • We evaluated the independence, competency and objectivity of the third party brokers engaged to determine the fair value of the vessel. We reviewed the valuation methodologies used by the brokers in determining the vessel valuations and compared the valuation against market comparable. • We assessed the methodologies used by management to estimate the value-in-use calculations of the vessels. We checked the accuracy and relevance of the input data used by management to estimate the value-in-use calculations compared to information obtained from reputable industry sources. We performed a sensitivity analysis and headroom analysis on the key assumptions, where necessary. **Our findings** We found the significant estimates, judgements and assumptions made by management to determine the recoverable amounts of the vessels to be reasonable based on available evidence.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
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Other Information

Management is responsible for the other information. The other information comprises the information included in the Prospectus, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
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(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 consolidated 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 Group's internal control.

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

- 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 consolidated 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
27 September 2019

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$'000	Period from 14.9.2017 to 31.03.2018 US$'000
Revenue	5	2,719,180	1,225,125
Operating expenses	6	(2,668,167)	(1,205,925)
Net impairment loss on trade receivables	6	(3,030)	(2,897)
Profit from operations		47,983	16,303
Other income	7	616	436
Other expenses	8	(577)	(181)
Administrative expenses	9	(22,180)	(8,593)
Finance income	10	29	12
Finance costs	11	(15,174)	(4,127)
Share of losses in associates	16	(1,225)	(622)
		9,472	3,228
Exceptional item			
Net gain on disposal of financial assets	15	2,327	-
Profit before income tax		11,799	3,228
Income tax (expense)/refund	12	(40)	62
Net profit for the financial year/period		11,759	3,290
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Fair value gain recognised on financial assets at fair value through other comprehensive income	15	1,388	-
Items that may be reclassified subsequently to profit or loss			
Fair value loss recognised on financial assets at fair value through other comprehensive income	15	-	(11,040)
Other comprehensive income/(loss)		1,388	(11,040)
Total comprehensive income/(loss) for the financial year/period		13,147	(7,750)
Net profit for the year/period attributable to:			
Owners of the Group		9,248	2,660
Non-controlling interests	22	2,511	630
		11,759	3,290
Total comprehensive income/(loss) for the financial year/period attributable to:			
Owners of the Group		10,636	(8,380)
Non-controlling interests	22	2,511	630
		13,147	(7,750)
Earnings per share			
Basic	31	9,248	2,660
Diluted	31	9,248	2,660

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Vessels	13	460,433	184,470
Other fixed assets	14	3,474	123
Financial assets	15	8,175	10,758
Interests in associates	16	32,665	40,892
		504,747	236,243
Current Assets			
Inventories	17	25,991	2,799
Trade and other receivables and prepayments	18	367,315	290,993
Accrued receivables	18	85,316	-
Cash and bank balances	19	73,602	18,825
		552,224	312,617
Total Assets		1,056,971	548,860
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	20	1	1
Reserves	21	183,873	(51,286)
Total equity attributable to the owners of the Group		183,874	(51,285)
Non-controlling interests	22	9,172	6,765
		193,046	(44,520)
Non-Current Liabilities			
Bank loan	23	1,689	563
Other borrowings	24	297,339	114,573
		299,028	115,136
Current Liabilities			
Bank loan	23	5,733	2,252
Other borrowings	24	49,395	9,111
Short-term borrowings	25	112,298	73,716
Trade and other payables	26	394,971	393,100
Income tax liabilities		2,500	65
		564,897	478,244
Total Liabilities		863,925	593,380
Total Equity and Liabilities		1,056,971	548,860

Director **Director**

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Attributable to equity owners of the Group					
	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total attributable to owners of the Group US$'000	Non-controlling Interests US$'000	Total Equity US$'000
Balance as at 31 March 2018	1	(11,040)	(40,246)	(51,285)	6,765	(44,520)
Net profit for the year	-	-	9,248	9,248	2,511	11,759
Other comprehensive income	-	1,388	-	1,388	-	1,388
Total comprehensive income for the financial year	-	1,388	9,248	10,636	2,511	13,147
Business combinations under common control (Note 4(Aiii))	-	-	230,644	230,644	484	231,128
Dividends paid to the ultimate holding company	-	-	(5,921)	(5,921)	-	(5,921)
Dividends paid to non-controlling interest (Note 22)	-	-	-	-	(979)	(979)
Effect of dilution of interest in subsidiaries	-	150	(350)	(200)	363	163
Exercise of share options	-	-	-	-	28	28
Balance as at 31 March 2019	1	(9,502)	193,375	183,874	9,172	193,046

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont'd)

	Attributable to equity owners of the Group					
	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total attributable to owners of the Group US$'000	Non-controlling Interests US$'000	Total Equity US$'000
As at the date of incorporation	-	-	-	-	-	-
Net profit for the period	-	-	2,660	2,660	630	3,290
Other comprehensive loss	-	(11,040)	-	(11,040)	-	(11,040)
Total comprehensive income/(loss) for the financial period	-	(11,040)	2,660	(8,380)	630	(7,750)
Issuance of share capital	1	-	-	1	-	1
Business combinations under common control (Note 4(Aiii))	-	-	(42,437)	(42,437)	5,666	(36,771)
Effect of dilution of interest in subsidiaries	-	-	(469)	(469)	469	-
Balance as at 31 March 2018	1	(11,040)	(40,246)	(51,285)	6,765	(44,520)

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$'000	Period from 14.9.2017 to 31.03.2018 US$'000
Cash Flows from Operating Activities		
Profit before income tax and exceptional item	9,472	3,228
Adjustments for:		
Depreciation of vessels, pre-delivery costs, other fixed assets and amortisation of dry-docking costs	7,305	2,434
Interest expense	14,821	3,956
Interest income	(29)	(12)
Impairment loss on trade receivables	4,494	3,450
Write back of impairment loss on trade receivables	(1,464)	(553)
Share of losses in associates	1,225	622
Loss on disposal of financial assets	523	-
Other fixed assets written off	49	-
Unrealised foreign exchange gain	-	(206)
Dividend income from financial assets	-	(82)
Net loss on step acquisition of a former associate to a subsidiary	102	-
Operating cash flows before working capital changes	36,498	12,837
Changes in working capital:		
Inventories	(22,545)	(2,799)
Trade and other receivables and prepayments (including accrued receivables)	252,208	118,373
Trade and other payables	(200,722)	(52,980)
Cash generated from operations	65,439	75,431
Income tax (paid)/refund	(235)	26
Interest received	29	12
Interest paid	(14,821)	(3,956)
Net cash generated from operating activities	50,412	71,513
Cash Flows from Investing Activities		
Payments for vessels and dry-docking costs	(255,980)	(74,602)
Purchase of other fixed assets	(73)	(6)
Purchase of financial assets	(20,356)	(21,798)
Proceeds from disposal of financial assets	26,131	-
Purchase of interests in associates	(500)	(11,829)
Dividends received from financial assets	-	82
Net cash inflow from acquisition of interests in subsidiaries under common control	20,247	9,816
Net cash inflow from step acquisition of a former associate to a subsidiary	82	-
Loan to associates	(1,350)	(9,784)
Net cash used in investing activities	(231,799)	(108,121)

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont'd)

	2019 US$'000	Period from 14.9.2017 to 31.03.2018 US$'000
Cash Flows from Financing Activities		
Proceeds from issuance of share capital	-	1
Dividends paid to the ultimate holding company	(5,921)	-
Dividends paid to non-controlling interests	(979)	-
Deposit pledged with financial institutions	(602)	(788)
Proceeds from exercise of share options	28	-
Proceeds from bank loans and other borrowings	222,940	64,406
Proceeds from short-term borrowing	38,582	16,618
Repayment of bank loans and other borrowings	(18,486)	(25,592)
Net cash generated from financing activities	235,562	54,645
Net increase in cash and bank balances	54,175	18,037
Cash and bank balances at the beginning of the financial year/date of incorporation	18,037	-
Cash and bank balances at the end of the financial year (Note 19)	72,212	18,037

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

	Balance at 1 April/date of incorporation US$'000	Cash flows Proceeds US$'000	Repayments US$'000	Non-cash changes (i) US$'000	Balance at 31 March US$'000
2019					
Bank loans and other borrowings (Notes 23 and 24)	126,499	222,940	(18,486)	23,203	354,156
Short-term borrowings (Note 25)	73,716	38,582	-	-	112,298
2018					
Bank loans and other borrowings (Notes 23 and 24)	-	64,406	(25,592)	87,685	126,499
Short-term borrowings (Note 25)	-	16,618	-	57,098	73,716

(i) Relates to an amount of US$17.0 million arising from the step acquisition of a former associate to a subsidiary (Note 4(Aii)) and an amount of US$6.2 million arising from the acquisition of interests in subsidiaries under common control during the financial year ended 31 March 2019 (2018: US$144.8 million) (Note 4(Aiii))

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 Company is principally an investment holding company. The principal activities of the Company, its subsidiaries and joint venture (collectively, the "Group") are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management. Details of principal activities, countries of incorporation and extent of the Company's equity interest in subsidiaries are set out in Note 4 to the consolidated financial statements.

The immediate and ultimate holding company has appointed its subsidiary, Navig8 Asia Pte. Ltd., to act as the commercial manager for its principal shipping-related activities. Navig8 Asia Pte. Ltd.'s registered office and principal place of business is 5 Shenton Way, #20-04 UIC Building, Singapore 068808.

The Company's immediate and ultimate holding company is Navig8 Limited, a company domiciled at 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. In the opinion of the directors, the Group has no controlling party.

The board of directors has authorised the issue of the consolidated financial statements on the date of the Report of the Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements which are expressed in United States dollar, have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS

For the financial year ended 31 March 2019, the Group has adopted the following new and revised IFRS which are relevant to the Group and mandatory for application:

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new expected credit loss model and a new general hedge accounting model. The Group adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to consolidated financial instruments up to the financial period ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Group retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at fair value through other comprehensive income (FVOCI); and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVPL).

- If a debt instrument has low credit risk at 1 April 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Group's accounting policies for financial liabilities.

Details of their impact on the Group's consolidated financial statements as well as the new requirements are described below.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets

Under IFRS 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (equity instrument) or FVPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories.

The adoption of IFRS 9 did not have a significant effect on the Group's accounting policy for financial assets and liabilities except that:

(a) Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified as amortised cost. There are no changes to the carrying amount of these financial assets.

(b) Financial assets that were classified as available-for-sale under IAS 39 are now classified as FVOCI and FVPL. Additional information about the transition impact is disclosed in Note 15 to the consolidated financial statements.

There were no material adjustments to the Group's consolidated statement of cash flows arising from the initial application of IFRS 9.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and intra group financial guarantee contracts, but not to equity investments.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

ii) Impairment of financial assets (cont'd)

The Group has applied the simplified impairment approach to recognise only lifetime expected credit loss impairment charges on all trade receivables, as well as the general approach to recognise expected credit loss impairment charges on non-trade receivables. For debt instruments with low credit risk as at 1 April 2018, the Group adopted the exemption in IFRS 9 to assess these low credit risk instruments based on 12-month expected credit loss. Based on the assessment made, the Group has assessed that the application of IFRS 9 impairment requirements at 1 April 2018 did not have a significant impact on the financial performance and financial position of the Group. Additional information about how the Group measures the allowance for impairment is described in Note 28 to the consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group adopted IFRS 15 in its consolidated financial statements using the modified retrospective application approach. The adoption of IFRS 15 did not have a significant impact on the financial performance or financial position of the Group, except for contract assets (accrued receivables), which are presented separately in the statement of financial position. Additional information is disclosed in Note 2(c), Note 5 and Note 18 to the consolidated financial statements.

New and Revised IFRS Issued But Not Yet Effective

As at the date of authorisation of these consolidated financial statements, the Group has not adopted the following standards that have been issued and which are relevant to the Group, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for accounting periods beginning on or after 1 January 2019.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

IFRS 16 *Leases* (cont'd)

The Group plans to adopt IFRS 16 on 1 April 2019 based on a permitted transition 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 Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 April 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 March 2019. The Group also plans to adopt an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

As disclosed in Note 29, the Group has entered into various operating lease arrangements as lessee. As at 31 March 2019, the minimum lease payments committed under non-cancellable operating leases amounted to US$46 million. As at 1 April 2019, the Group expects an increase in right-of-use assets of approximately US$7.4 million, an increase in lease liabilities of US$7.4 million. The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures*

The amendments clarify that IFRS 9 *Financial Instruments*, including its impairment requirements, applies to long-term interests in an associate or joint venture to which the equity method is not applied but, in substance, form part of the net investment in associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised IFRS issued but not yet effective (cont'd)

Amendments to IFRIC 23 *Uncertainty over Income Tax Treatments*

The interpretation clarifies that in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity first determines whether to consider each uncertain tax treatment separately or together as a Group. An entity should determine the accounting tax position, on the assumption that a taxation authority has the right to examine the amounts reported to them and has full knowledge of all relevant information. IFRIC 23 provides the following guidance on determining an entity's accounting tax positions:

i. If it is probable that taxation authority will accept the uncertain tax treatment, the entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with tax treatment used or planned to be used in the entity's income tax filings.
ii. If it is not probable, an entity should estimate the effect of uncertainty in determining the related accounting tax position, using either the most likely amount or expected value method, depending on which method better predicts the resolution of uncertainty.

The interpretation is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 12 *Income Taxes*

This amendment requires an entity to recognise the income tax consequences of dividends paid in profit or loss, other comprehensive income, or equity, according to where the entity originally recognised those past transactions or events. The tax consequences should be recognised when the liability to pay the dividend is recognised. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 23 *Borrowing Costs*

This amendment clarifies that after a qualifying asset is ready for its intended use or sale, any outstanding borrowings made specifically to obtain that qualifying asset should be included within the pool of general borrowings used to calculate capitalised borrowing costs. The standard is effective from 1 January 2019. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/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. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

Amendments to IFRS 3 *Definition of Business*

The amendments confirm that a business must include inputs and a process. The amendments also clarify that the process must be substantive, and the inputs and process must significantly contribute to creating outputs. The revised definition of a business focuses on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs. A new optional test is available to assess whether a business has been acquired, when the value assets acquired is concentrated in a single asset or group of similar assets. The standard is effective for annual periods beginning on or after 1 January 2020. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

(b) Functional Currency and Foreign Currency Translation

Functional and presentation currency

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group are presented in United States dollar (US$), which is also the functional and presentation currency of the Company. All values are rounded to the nearest thousand (US$'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 balance sheet date are recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

Translation and balances (cont'd)

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.

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

i. assets and liabilities are translated at the closing rates at the reporting date;

ii. income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii. all resulting exchange differences are recognised in other comprehensive income, and accumulated in the currency translation reserve within equity. These currency translation differences are reclassified to profit or loss as disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve. Any currency translation differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

(c) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A contract asset (accrued receivables) is the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Customer presents the contract as a contract liability (deferred income) when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 Significant Accounting Policies (cont'd)

(c) Revenue Recognition (cont'd)

Bunker trading income

Bunker trading income is recognised at a point in time when the ownership of the bunkers have been transferred to the customer.

Voyage charter freight income

Voyage charter freight income is recognised over time as the performance obligation is satisfied, based on the percentage of completion method calculated on a load-to-discharge basis over the voyage period. The Group capitalised such related costs as they were incremental and expected to be recovered. Full provision is made for any losses on voyages in progress at the reporting date.

Time and bareboat charter income

Time charter and bareboat charter income is recognised on a time-apportioned basis over the charter period. Provision is made for all charter-hire receivables on the reporting date in respect of time charter voyages in progress.

Commission income and administration fees

Commission income relates to the commercial and technical management services provided. Commission income is recognised on completion of the related voyage or charter period.

Sale and purchase commission income relates to the services provided for newbuilding vessels. It is recognised in line with the payment of instalments to shipyards.

Administration fees are recognised over time based on vessel trading days for vessels under management.

Pool revenue and expenses

Pool revenue is measured based on a time charter equivalent basis based on voyage returns adjusted for off-hire days and pool score allocated to each vessel on entry into the Pools. Pool revenue and voyage expenses are recognised in accordance with the earnings allocated to the Group's vessels.

Management fees

Management fees are recognised over the service period.

Gain from derivatives trading

Gain from derivatives trading comprises all fair value gains or losses resulting from financial derivatives contracts and securities trading. All open contracts and securities are marked to market based on settlement prices.

2 Significant Accounting Policies (cont'd)

(c) Revenue Recognition (cont'd)

Interest income

Interest income is recognised on an accrued basis using the effective interest method.

(d) Employee Benefits

Short-term benefits

All short-term employee benefits including accumulating compensated absences are recognised in profit or loss in the period in which the employees rendered their services to the Group.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current period. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

Employee leave entitlement

Employees' entitlement to annual leave is recognised when accrued. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(e) Interest Expense

Interest expense is recognised in profit or loss using the effective interest method except for those costs that are directly attributable to bank loans acquired specifically for the acquisition or construction of qualifying assets. The actual borrowing cost incurred for such qualifying assets during the relevant period are capitalised in the cost of the qualifying assets.

(f) Income Taxes

Tax expense comprises income tax and deferred tax.

Income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method.

2 Significant Accounting Policies (cont'd)

(f) Income Taxes (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the year in which the liability is settled or the asset utilised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unutilised allowances and losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

(g) Subsidiaries

Consolidation

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

Subsidiaries are entities (including structured entities) over which the Group have control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the subsidiaries financial statements to ensure consistency of accounting policies with that of the Group.

Acquisition of business

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2 Significant Accounting Policies (cont'd)

(g) Subsidiaries (cont'd)

Acquisition of business (cont'd)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest and fair value of the previous equity interest measured is less than the fair value of the net identifiable assets of the acquiree in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Business combination involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity "acquired" is reflected within the equity as other reserve.
- The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(h) Non-Controlling Interest

Non-controlling interest represents equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. These are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(i) Inventories

Inventories comprising bunkers on board vessels are stated at lower of cost or net realisable value. The cost is determined using the first-in, first-out basis. The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Investments in Associates and Joint Venture

Associates companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisitions

Investments in associates companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates companies and joint venture represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Acquisitions (cont'd)

Negative goodwill (i.e. excess of the Group's share of the net fair value of the associate or joint venture's identifiable assets and liabilities over the cost of the investment) is included as income as part of the entity's share of the associate of joint venture's profit or loss in the period in which the investment is acquired.

Equity method of accounting

In applying the equity method of accounting, the Group's share of its associates companies and joint venture's post acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates companies and joint venture are adjusted against the carrying amount of the investments. When the Group's share of losses in an associates company or joint venture equals to or exceeds its interest in the associates company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associates company or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits are equal to the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates companies and joint venture are eliminated to the extent of the Group's interest in the associates companies and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates companies and joint venture have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Disposals

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Disposals (cont'd)

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

(k) Joint Operations

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any asset held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

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

2 Significant Accounting Policies (cont'd)

(k) Joint Operations (cont'd)

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(l) Vessels

Vessels are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost includes the acquisition cost, pre-delivery costs and any directly attributable costs of bringing the vessels to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the vessel only when it is probable that future economic benefits associated with the costs will flow to the Group and the cost can be measured reliably. All other routine repair and maintenance expenses are recognised in profit or loss when incurred.

Vessels under construction are stated at cost, less any recognised impairment loss in accordance with the installment payments agreed upon.

On disposal of a vessel, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation is provided on a straight-line basis on carrying amounts less residual values, over the estimated useful life of 25 years, in accordance with common industry practice.

Residual values are based on lightweight tonnage and the market price for scrap steel paid on demolition of tankers as at the balance sheet date. The residual values and useful lives are reviewed and adjusted as appropriate, at each balance sheet date.

(m) Drydocking and Special Survey Costs

Drydocking and special survey costs are capitalised and depreciated on a straight-line basis over the estimated period (generally between 3 to 5 years) to the next drydocking.

2 Significant Accounting Policies (cont'd)

(n) Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost of the assets comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of other fixed assets, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Other fixed assets are depreciated over the following periods on a straight line basis less any recognised impairment loss:

	Useful lives
Office equipment	5 years
Furniture and fittings	3-5 years
Computer equipment	3 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of other fixed assets are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(o) Impairment of Non-Financial Assets, excluding Goodwill

At each balance sheet date, the Group reviews the carrying amount of its tangible assets to determine whether there is any objective evidence or indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is the higher of fair value less costs of disposal and value in use and is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying value, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2 Significant Accounting Policies (cont'd)

(o) Impairment of Non-Financial Assets, excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(p) Financial Assets (accounting policies applicable from 1 April 2018)

Classification and Measurement

The Group classifies its financial assets in the following measurement categories:
- Amortised costs;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

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

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

Initial Recognition

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

Trade receivables are measured at the amount of consideration to which the Group expected to be entitled in exchange for transferring promised goods or services to a customer excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

i. Debt instruments

The subsequent measurement categories depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Classification and Measurement (cont'd)

Subsequent Measurement (cont'd)

i. Debt instruments (cont'd)

For debt instruments measured at amortised cost, these 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.

For debt instruments measured at fair value through profit or loss, the movement in fair values and interest income that is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as fair value through profit or loss with movements in their fair values recognised in profit or loss, except where the Group has elected to classify the investments at fair value through other comprehensive income. Dividends from equity investments are recognised in profit or loss. On disposals, the cumulative gain or loss of the investments classified as fair value through other comprehensive income will be transferred directly to retained earnings.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets measured at amortised costs and intra-group financial guarantee contracts.

Loss allowances of the Group 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.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Impairment (cont'd)

Simplified approach - Trade receivables

The Group applies the simplified approach to provide expected credit losses for all trade receivables as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach - Other financial instruments and financial guarantee contracts

The Group applies the general approach to provide for expected credit losses on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month expected credit losses at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime expected credit losses. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort.

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 losses.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group assesses whether financial assets carried at amortised cost are credit-impaired. The evidence includes the observable data about the significant financial difficulty of the borrower and default or past due event.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Impairment (cont'd)

Measurement of expected credit losses

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 Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Write-off policy

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

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset measured at amortised cost, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amoung previously recognised in other comprehensive income relating to that asset.

(q) Financial Assets (accounting policies are applicable until 31 March 2018)

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies applicable until 31 March 2018) (cont'd)

Classification (cont'd)

o *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" at the balance sheet date.

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Trade receivables that are factored to banks with recourse to the Group are not derecognised. The corresponding cash received from the banks is recorded as short-term borrowings.

Cash and cash equivalents comprise cash on hand and short term bank deposits which are subject to an insignificant risk of changes in value.

o *Financial assets, available-for-sale*

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale, are recognised separately in income. Changes in the fair value available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve within equity. Changes in the fair value of available-for-sale equity securities (i.e. non-monetary assets) are recognised in the fair value reserve within equity, together with the related currency translation differences.

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies applicable until 31 March 2018) (cont'd)

Classification (cont'd)

o *Financial assets, available-for-sale* (cont'd)

Subsequent measurement (cont'd)

Financial assets, available-for-sale that do not have a quoted market active price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses subsequent to initial recognition. If the range of reasonable fair value measurements is significant and the probability of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

o *Loans and receivables*

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance for impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in profit or loss.

o *Financial assets, available-for-sale*

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the investment is impaired.

The cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies are applicable until 31 March 2018) (cont'd)

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(r) Cash and Bank Balances

Cash and bank balances comprise cash on hand, short-term bank deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and bank balances are shown net of restricted bank deposits.

(s) 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.

Preference shares are classified as equity as they are non-redeemable or redeemable only at the Company's option, and any dividends are discretionary.

The Company's own ordinary and preference shares, which were re-acquired by the Company were cancelled and the amount equivalent to their nominal value was shown as a movement in share capital. The premium paid on the shares repurchased and cancelled was charged against retained earnings. No gain or loss is recognised in profit or loss on the cancellation of shares.

(t) Financial Liabilities

Classification

The Group classifies its financial liabilities either as financial liabilities at fair value through profit or loss or as other financial liabilities (for Trade and Other Payables, Bank Loans, Short-term and Other Borrowings and Finance Lease Obligations). The classification depends on the substance of the contractual arrangements entered into and the definition of a financial liability. Financial liabilities are recognised initially at fair value plus, in the case of a financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition.

2 Significant Accounting Policies (cont'd)

(t) Financial Liabilities (cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner prescribed in Note 28 to the consolidated financial statement.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

(i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

(ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

(iii) it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the hybrid contract (asset or liability) to be designated as at fair value through profit or loss.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the tenure of the loans using the effective interest method.

Short-term and other borrowings

Short-term and other borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost.

2 Significant Accounting Policies (cont'd)

(u) Lease Payments

Leases, Group as lessee

Finance lease

Property, plant and equipment leases in which a significant portion of the risks and rewards of ownership are transferred by the lessor to the Group are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

The corresponding rental obligations, net of finance charges, are included in other current and non-current liabilities. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income by a seller-lessee. Instead, it shall be deferred and amortised over the lease term. If the leaseback is an operating lease, and the lease payments and the sale price are at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately.

IFRS 9 is applied for the collateralised financial liabilities that are resulted from sale and leaseback transactions that do not contain a lease in substance. The liability is amortised at cost, each lease payment is allocated between the liability and finance charges according to the effective interest method.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Rental income from operating lease contracts, where the Group acts as the lessor, are recorded in other operating income on a straight line basis over the period of the lease.

Arrangements' containing a lease agreement

At inception of an arrangement, the Group determines whether such an arrangement is or contain a lease. In order to determine if the arrangement includes a finance lease component or other lease agreement the criteria in IFRIC 4 'Determining whether an Arrangement contains a Lease' is used.

2 Significant Accounting Policies (cont'd)

(u) Lease Payments (cont'd)

Leases, Group as lessee (cont'd)

Arrangements' containing a lease agreement (cont'd)

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
(b) the arrangement conveys a right to use the asset.

If the arrangement includes a lease, IAS 17 is applied to determine whether it is an operating or financial lease as described above. Other elements of the arrangement are recognised according to the relevant standards.

Operating Leases - Where the Group is the lessor

Income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

(v) Dividends

Dividends are recognised as a liability when declared at the Annual General Meeting by the Company's shareholders.

(w) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the key management whose members are responsible for allocating resources and assessing performance of the operating segments.

2 Significant Accounting Policies (cont'd)

(y) Fair Value Estimation of Financial Assets and Liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

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

(z) 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.

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 venture 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);

2 Significant Accounting Policies (cont'd)

(z) Related Parties (cont'd)

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 consolidated financial statements. They affect the application of the Group'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.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the asset is estimated to determine the impairment loss. In making this judgment, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In determining the fair value less costs of disposal, the Group has obtained valuation reports from third party sources. The valuation of the vessels was prepared assuming a sale between a willing seller and a willing buyer on a charter-free basis.

The carrying amount of the Group's vessels as at 31 March 2019 amounted to US$460.4 million (2018: US$184.5 million). No impairment loss has been recognised for the financial years ended 31 March 2019 and 31 March 2018. Further details are given in Note 13 to the consolidated financial statements. For the value in use calculations, if the estimated revenue from future cash flows for the Group's vessels are reduced by 10% compared to management's estimates, there would be no impact on the Group's results for the financial years ended 31 March 2019 and 31 March 2018.

The carrying amount of the Group's interest in associates as at 31 March 2019 amounted to US$32.7 million (2018: US$40.9 million). No impairment loss has been recognised for the financial years ended 31 March 2019 and 31 March 2018. Further details are given in Note 16 to the consolidated financial statements.

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

(a) Key Sources of Estimation Uncertainty (cont'd)

(ii) Useful lives of vessels and other fixed assets and residual value of vessels

The Group determines the estimated useful lives and related depreciation charges for its vessels and other fixed assets. This estimate is based on the historical experience of the actual useful lives of vessels and other fixed assets of a similar nature and function. Changes in the remaining useful life of the vessel and other fixed assets and residual value, determined based on year end scrap rates, technical innovations and competitor actions, would result in an adjustment to the current and future rate of depreciation through profit or loss. Management will increase the depreciation charge where useful lives are less than previously estimated. Management will write-off or write-down technically obsolete assets. The carrying amounts of the Group's vessels and other fixed assets as at 31 March 2019 was US$463.9 million (2018: US$184.6 million). Further details are given in Notes 13 and 14 to the consolidated financial statements.

If depreciation on the vessels and other fixed assets is increased by 10% from management's estimates, the Group's results for the financial year ended 31 March 2019 will decrease by US$0.7 million (2018: US$0.2 million).

(b) Critical Judgments in applying Accounting Policies

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

(i) Loss allowance for receivables (including accrued receivables)

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(p) to the consolidated financial statements. This assessment is based on the credit history of its customers and other debtors and current market conditions. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying amount of the Group's total trade and other receivables and accrued receivables at 31 March 2019 amounted to US$452.6 million (2018: US$291.0 million). The information about the expected credit losses on the Group's trade and other receivables and accrued receivables is disclosed in Notes 18 and 28 to the consolidated financial statements.

During the financial year ended 31 March 2019, the Group provided an impairment loss on trade receivables of US$4.5 million (2018: US$3.5 million) and write-back of impairment loss of US$1.5 million (2018: US$0.6 million).

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

(b) Critical Judgments in applying Accounting Policies (cont'd)

(ii) Leases

In making an evaluation, judgment is used in determining lease classification in accordance with Note 2(v) to the consolidated financial statements.

During the financial year/period, the Group entered into contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Management has applied its judgment and applied IFRIC 4 "Determining whether an Arrangement contains a Lease". Management has assessed that the agreements entered into between the Group and third parties do not qualify for sale-leaseback accounting, either as a result of a purchase obligation or as a result of a purchase option which constitutes a form of continuing involvement by the Group in the vessel.

In the case of the purchase options, the Group has applied its judgment and determined that the exercise of purchase options is "almost certain" and treated the lease as a financing arrangement. Further details are set out in Notes 13 and 24 to the consolidated financial statements.

(iii) Contingencies

The Group is involved, from time to time, in the course of its business, in disputes resulting from its operating activities, which may or may not result in legal action being taken by or against the Group.

Based on consultations with its legal counsel, management considers the likely outcome of the disputes in which it is currently involved and has concluded it will not have a material impact on the consolidated financial statements.

4 Organisation and Trading Activities

The Group's operations were carried out during the financial year through main offices in Singapore, the United Kingdom, United States of America, India, China, United Arab Emirates ("UAE"), Greece, Germany, Norway and Japan.

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows:

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(i) Investment holding				
Apollo Shipping Inc	Marshall Islands	100	100	(e),(i)
Crew Management Pte Ltd	Singapore	100	-	(b),(h)
Navig8 Asset Co Investments Inc	Marshall Islands	100	100	(e),(i)
Navig8 Asset Holdings Inc	Marshall Islands	100	100	(e),(i)
Navig8 Asset Management Holdings Inc	Marshall Islands	100	100	(e),(i)
Navig8 Group Holdings Inc	Marshall Islands	100	-	(e),(h)
Navig8 Pool Holdings Inc	Marshall Islands	100	-	(e),(h)
Navig8 Commercial Services Ltd	Marshall Islands	100	-	(e),(h)
Navig8 Technical Management Holding Inc	Marshall Islands	100	-	(e),(h)
Pythagoras Corporation Ltd	Marshall Islands	100	100	(e),(i)
Integr8 Fuels Holding Inc	Marshall Islands	85.4	85.8	(e),(k)
Navig8 Offshore Inc	Marshall Islands	84	-	(e),(h)
Navig8 Chemicals Services Ltd	Marshall Islands	65	-	(e),(h)
(ii) Ship chartering				
Navig8 Inc	Marshall Islands	100	-	(b),(h)
Navig8 Pte Ltd	Singapore	100	100	(b),(i)
Navig8 Bulk Pool Inc	Marshall Islands	100	-	(a),(f),(h)
Navig8 Chemicals Pool Inc	Marshall Islands	100	-	(a),(f),(h)
Navig8 Pool Inc	Marshall Islands	100	-	(a),(f),(h)
RK8 Offshore Pool Inc	Marshall Islands	100	-	(a),(f),(h)
V8 Pool Inc	Marshall Islands	100	-	(a),(f),(h)
VL8 Pool Inc	Marshall Islands	100	-	(a),(f),(h)
(iii) Ship owning				
Apollo Shipping 1 Inc Corporation	Marshall Islands	100	100	(e),(i)
Apollo Shipping 2 Inc Corporation	Marshall Islands	100	100	(e),(i)
Apollo Shipping 3 Inc Corporation	Marshall Islands	100	100	(e),(i)
Apollo Shipping 4 Inc Corporation	Marshall Islands	100	100	(e),(i)
Apollo Shipping 5 Inc Corporation	Marshall Islands	100	-	(e),(g)
Apollo Shipping 6 Inc Corporation	Marshall Islands	100	-	(e),(g)
Apollo Shipping 7 Inc Corporation	Marshall Islands	100	-	(e),(g)
Apollo Shipping 8 Inc Corporation	Marshall Islands	100	-	(e),(g)
Straits Shipping 2 Corporation	Marshall Islands	100	100	(e),(i)
Navig8 Constellation Corporation	Marshall Islands	100	100	(e),(i)
Navig8 Universe Corporation	Marshall Islands	100	100	(e),(i)
Pythagoras Corporation 1 Inc	Marshall Islands	100	100	(e),(i)
Pythagoras Corporation 2 Inc	Marshall Islands	100	100	(e),(i)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(iii) Ship owning				
Pythagoras Corporation 3 Inc	Marshall Islands	100	100	(e),(i)
Pythagoras Corporation 4 Inc	Marshall Islands	100	100	(e),(i)
Pythagoras Corporation 5 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 6 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 7 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 8 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 9 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 10 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 11 Inc	Marshall Islands	100	-	(e),(g)
Pythagoras Corporation 12 Inc	Marshall Islands	100	-	(e),(g)
Herakleitos 3050 LLC	Marshall Islands	100	-	(e),(j)
(iv) Brokerage and Commercial management				
Navig8 America LLC	USA	100	-	(d),(h)
Navig8 Asia Pte Ltd	Singapore	100	-	(b),(h)
Navig8 DMCC	Dubai	100	-	(c),(h)
(iv) Brokerage and Commercial management (cont'd)				
Navig8 Europe Ltd	United Kingdom	100	-	(d),(h)
Navig8 Greece Inc	Marshall Islands	100	-	(d),(h)
Navig8 India Private Limited	India	100	-	(c),(h)
VL8 Management Inc	Marshall Islands	100	-	(e),(h)
Navig8 Bulk Asia Pte Ltd	Singapore	100	-	(b),(h)
Navig8 Bulk Europe Ltd	United Kingdom	100	-	(d),(h)
Navig8 Chemicals America LLC	USA	65	-	(d),(h)
Navig8 Chemicals Asia Pte Ltd	Singapore	65	-	(b),(h)
Navig8 Chemicals DMCC	Dubai	65	-	(c),(h)
Navig8 Chemicals Europe Ltd	United Kingdom	65	-	(d),(h)
RK8 Offshore Africa Holdings Ltd	Marshall Islands	84	-	(e),(h)
RK8 Offshore Pte Ltd	Singapore	84	-	(b),(h)
(v) Risk management				
Navig8 Risk Management Pte Ltd	Singapore	100	-	(b),(h)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(vi) Technical management				
Suntech Ship Management Pte Ltd (formerly known as Navig8 Ship Management Pte Ltd)	Singapore	100	-	(b),(h)
Navig8 Ship Management Services Private Limited	India	100	-	(c),(h)
RK8 Offshore Ship Management Pte Ltd	Singapore	84	-	(b),(h)
(vii) Bunker trading				
Integr8 Fuels Inc	Marshall Islands	85.4	85.8	(e),(i),(k)
(viii) Bunker brokerage				
Integr8 Fuels America LLC	USA	85.4	85.8	(d),(i),(k)
Integr8 Fuels Asia Pte Ltd	Singapore	85.4	85.8	(b),(i),(k)
Integr8 Fuels DMCC	Dubai	85.4	85.8	(c),(i),(k)
Integr8 Fuels Europe Ltd	United Kingdom	85.4	85.8	(d),(i),(k)
Integr8 Fuels Germany GmbH	Germany	85.4	85.8	(d),(i),(k)
Integr8 Fuels Greece S.A.	Greece	85.4	85.8	(d),(i),(k)
Integr8 Fuels India Private Limited	India	85.4	85.8	(c),(i),(k)
Integr8 Fuels Japan KK	Japan	85.4	85.8	(c),(i),(k)
Integr8 Fuels Oslo AS	Norway	85.4	85.8	(d),(i),(k)
Integr8 Turkey Akaryakit Tic.Ltd.	Turkey	85.4	85.8	(e),(i),(k)
Integrate Fuels LLC	Dubai	85.4	-	(c),(g),(k)

(a) The activities of the Pool companies are regarded as jointly-controlled operations. The assets and liabilities attributable to the Group's vessels operating in the jointly-controlled operations are consolidated in the Group's financial statements.
(b) Audited by Moore Stephens LLP, Singapore.
(c) Audited by a member firm of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.
(d) Audited by BDO LLP (London).
(e) Subsidiary companies which are not required to be audited by the law in their country of incorporation. However, the financial statements were audited in accordance with IFRS for consolidated purposes by Moore Stephens LLP, Singapore
(f) Audited by PricewaterhouseCoopers, Singapore.
(g) Newly incorporated during the current financial year.
(h) On 1 March 2019, interests in these subsidiaries involving entities under common control were transferred to this Group.

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

(i) During the financial period ended 31 March 2018, interests in these subsidiaries involving entities under common control were transferred to this Group.

(j) During the current financial year, the Group acquired the remaining 50% non-controlling interest in this entity. As a result of this step acquisition, the former associate company is now a wholly-owned subsidiary company of Navig8 Asset Holdings Inc.

(k) During the current financial year, 0.4% interest was issued to a non-controlling interest and the Group's share of interest was diluted from 85.8% to 85.4%.

(Ai) Adjustment of interest in subsidiaries

During the financial year ended 31 March 2019, the Group's interest was diluted by the issuance and vesting of share options in Integr8 Group. The Group's effective interest in Integr8 Group was accordingly reduced from 85.8% to 85.4%. 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 Group's effective interest in Integr8 Group on the equity attributable to equity holders of the Company was as follows:

	2019 US$'000	2018 US$'000
Consideration received for adjustment of interest	28	-

(Aii) Step acquisition of additional interest in a former associate company

During the financial year ended 31 March 2019, the Group acquired the remaining 50% of the issued shares of Herakleitos 3050 LLC, a former associate company. As at 31 March 2019, the Group holds 100% of the issued shares of Herakleitos 3050 LLC. Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	2019 US$'000
Cash paid as consideration	1,396

4 Organisation and Trading Activities (cont'd)

(Aii) Step acquisition of additional interest in a former associate company (cont'd)

(b) Identifiable assets acquired and liabilities assumed

	At fair value US$'000
100% interest	
Cash and cash equivalents	1,478
Vessel (Note 13)	27,110
Trade and other receivables	1,561
Total assets	30,149
Trade and other payables	10,240
Bank loan	17,000
Total liabilities	27,240
Total identifiable net assets	2,909
Add/(Less): Net loss on step acquisition of a former associate to a subsidiary	102
Derecognition of carrying amount of cost of investment in associate (Note 16)	(1,615)
Consideration transferred for the acquisition of additional 50% interest	1,396
Less: Cash and cash equivalents acquired	(1,478)
Net cash inflow from step acquisition of a former associate to a subsidiary	(82)

(Aiii) Acquisition of interests in subsidiaries under common control

During the financial year ended 31 March 2019 and 31 March 2018, the Group acquired interests in subsidiaries (identified in Note 4(A)(h)) and 4(A)(i), involving entities under common control. These are subsidiaries previously held by its immediate and ultimate holding company, Navig8 Limited or held by its related parties. Business combination involving entities under common control are accounted for in accordance with accounting policies disclosed in Note 2(g) to the consolidated financial statements.

4 Organisation and Trading Activities (cont'd)

(Aiii) Acquisition of interests in subsidiaries under common control (cont'd)

The carrying values of the acquired identifiable assets and liabilities assumed are as follows:

	At carrying values	
	2019	2018
	US$'000	US$'000
Vessels (Note 13)	-	112,266
Other fixed assets (Note 14)	3,505	153
Interests in associates (Note 16)	1,179	19,901
Inventories	647	-
Trade and other receivables *	414,668	412,057
Cash and cash equivalents	20,247	9,816
Total assets	440,246	554,193
Bank loan and other borrowings	6,203	87,685
Short-term borrowings	-	57,098
Trade and other payables	200,769	451,746
Income tax liabilities	2,630	101
Total liabilities	209,602	596,630
Total identifiable net assets/(liabilities)	230,644	(42,437)
Add: Non-controlling interest at carrying amount	484	5,666
Total business combinations under common control	231,128	(36,771)

* Trade and other receivables acquired included allowance for impairment loss on trade receivables of US$18.3 million (2018: US$2.8 million) as disclosed in Note 28 to the consolidated financial statements.

	2019	2018
	US$'000	US$'000
Consideration transferred	-	-
Less: Cash and cash equivalents	20,247	9,816
Net cash inflow arising from the acquisition of interests in subsidiaries under common control	20,247	9,816

4 Organisation and Trading Activities (cont'd)

(B) Jointly-controlled Operations

The principal jointly-controlled operations are as follows:

Name of Pool	Principal Activities	Country of incorporation
MR Pool	Commercial employment and operation of Pool vessels	Marshall Islands
LR8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Alpha8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
V8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Suez8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Stainless8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Brizo8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Chronos8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
VL8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands

The aggregate information of jointly-controlled operations that are not individually material are summarised as follows:

	2019 US\$'000	2018 US\$'000
Current assets	96,053	6,112
Current liabilities	96,053	6,112
The Group's share of net revenue from Pools	186,182	20,045

4 Organisation and Trading Activities (cont'd)

(C) Non-controlling Interest

The details of non-wholly owned subsidiaries of the Group that have a material non-controlling interest as at 31 March are as follows:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interest		Accumulated non-controlling interest	
	2019	2018	2019	2018	2019	2018
	%	%	US$'000	US$'000	US$'000	US$'000
Integr8 Fuels Inc	14.6	14.2	2,640	832	9,060	7,224
Navig8 Chemical Services Ltd and its subsidiaries	35	-	182	-	994	-

The following table summarises the financial information in respect of the subsidiaries that had a material non-controlling interest. The summarised financial information represents amounts before intragroup eliminations.

	Navig8 Chemical Services Ltd and its subsidiaries	Integr8 Fuels Inc	
	2019	2019	2018
	US$'000	US$'000	US$'000
Summarised balance sheet			
Assets			
Current	10,094	343,208	297,072
Non-current	12	-	-
	10,106	343,208	297,072
Liabilities - current	(7,266)	(281,154)	(246,197)
Net assets	2,840	62,054	50,875
Attributable to owners of the Group	1,846	52,994	43,651
Non-controlling interest	994	9,060	7,224

4 Organisation and Trading Activities (cont'd)

(C) Non-controlling Interest (cont'd)

	Navig8 Chemical Services Ltd and its subsidiaries	Integr8 Fuels Inc	
	2019	2019	Period from 14.09.2017 to 31.03.2018
	US$'000	US$'000	US$'000
Summarised Profit or Loss			
Revenue	6,344	2,536,581	1,154,724
Expenses	(5,824)	(2,518,502)	(1,148,864)
Net profit for the year/period	520	18,079	5,860
Other comprehensive income	-	-	-
Total comprehensive income for the year/period	520	18,079	5,860
Total comprehensive income attributable to owners of the Group	338	15,439	5,028
Total comprehensive income attributable to non-controlling interest of the Group	182	2,640	832
Cash flows			
Cash flows generated from operating activities	8,233	13,065	19,353
Cash flows used in investing activities	(333)	(15,882)	(66,401)
Cash flows (used in)/generated from financing activities	(10,449)	469	66,716

5 Revenue

Revenue of the Group consists of the following:

	2019	Period from 14.09.2017 to 31.03.2018
	US$'000	US$'000
Performance obligations satisfied at a point in time		
Bunker trading income	2,573,333	1,187,003
Commission income	20,640	6,748
	2,593,973	1,193,751
Eliminations	(40,049)	(34,970)
	2,553,924	1,158,781

5 Revenue (cont'd)

Revenue of the Group consists of the following (cont'd):

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Performance obligations satisfied over time		
Voyage charter freight income	174,876	65,107
Time and bareboat charter income	3,148	1,251
Administration fees	1,039	-
Management fees	3,830	2,029
	182,893	68,387
Eliminations	(17,637)	(2,043)
	165,256	66,344
	2,719,180	1,225,125

The revenue streams per each business segment are shown before elimination in line with the way the businesses are managed. The total revenue figure is stated after elimination of intercompany revenue.

6 Operating Expenses

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Bunkers	2,527,172	1,144,566
Hire expenses	106,815	48,743
Ports, canals and towage	7,183	2,443
Commission expenses	8,242	3,364
Running costs	10,687	3,930
Depreciation of vessels and pre-delivery costs (Note 13)	6,942	1,852
Bad debts written off	32	-
Amortisation of drydocking costs (Note 13)	185	546
Others	909	481
	2,668,167	1,205,925
Impairment loss on trade receivables	4,494	3,450
Write back of impairment loss on trade receivables	(1,464)	(553)
	3,030	2,897
	2,671,197	1,208,822

7 Other Income

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Dividend income from financial assets	-	82
Other income	616	354
	616	436

8 Other Expenses

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Foreign exchange loss - net	528	181
Other fixed assets written off	49	-
	577	181

9 Administrative Expenses

Administrative expenses include the following significant balances:

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Salaries and other staff costs:		
- Administrative staff salaries and bonus	14,405	5,275
- Employer's social security and pension contribution	1,203	455
- Staff welfare and other staff costs	1,177	410
Office rental and utilities	1,335	563
Consultancy and other professional fees	1,002	661
Depreciation of other fixed assets (Note 14)	178	36
Loss on previously held interest in former associate	102	-

10 Finance Income

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Interest income from bank balances	29	12

11 Finance Costs

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Interest expense	14,821	3,956
Bank charges	353	171
	15,174	4,127

12 Income Tax Expense/(Refund)

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Income tax expense/(refund) attributable to profit is made up of:		
- Current financial year/period	116	(62)
- Over-provision in prior financial period	(76)	-
	40	(62)

Reconciliation between income tax expense/(refund) and accounting profit at applicable tax rate:

	2019 US$'000	Period from 14.09.2017 to 31.03.2018 US$'000
Profit before income tax and exceptional item	9,472	3,228
Income tax calculated at applicable tax rate	1,502	100
Recognition of previously unrecognised tax losses	(778)	(178)
Deferred tax asset not recognised	93	-
Income exempt from tax or subject to lower tax incentive rate	(589)	-
Tax effect of expenses (not taxable)/deductible for tax purposes	(112)	16
Over-provision in prior financial year/period	(76)	-
Tax charge/(refund)	40	(62)

Expenses not claimed for tax purposes relate to certain operating expenses of subsidiaries which are not deductible for tax purposes in the jurisdiction where these subsidiaries operate.

13 Vessels

	Vessels	Vessels under construction	Drydocking Costs	Pre-delivery Costs	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2019					
Cost					
At 1 April 2018	79,797	104,799	924	1,348	186,868
Additions (Note 4(Aii))	27,000	-	110	-	27,110
Additions	106,480	142,496	1,753	5,251	255,980
Transfer of delivered vessels	70,176	(70,176)	-	-	-
At 31 March 2019	283,453	177,119	2,787	6,599	469,958
Accumulated depreciation					
At 1 April 2018	1,789	-	546	63	2,398
Charge for the financial year	6,834	-	185	108	7,127
At 31 March 2019	8,623	-	731	171	9,525
Net book value					
At 31 March 2019	274,830	177,119	2,056	6,428	460,433
2018					
Cost					
At date of incorporation	-	-	-	-	-
Additions (Note 4(Aiii))	7,110	104,799	87	270	112,266
Additions	72,687	-	837	1,078	74,602
At 31 March 2018	79,797	104,799	924	1,348	186,868
Accumulated depreciation					
At date of incorporation	-	-	-	-	-
Charge for the financial period	1,789	-	546	63	2,398
At 31 March 2018	1,789	-	546	63	2,398
Net book value					
At 31 March 2018	78,008	104,799	378	1,285	184,470

14 Other Fixed Assets

	Office and Computer Equipment US$'000	Furniture and Fittings US$'000	Motor Vehicles US$'000	Total US$'000
2019				
Cost				
At 1 April 2018	81	78	-	159
Additions (Note 4(Aiii))	1,519	1,986	-	3,505
Additions	17	56	-	73
Write off	-	(49)	-	(49)
At 31 March 2019	1,617	2,071	-	3,688
Accumulated depreciation				
At 1 April 2018	24	12	-	36
Charge for the financial year	106	72	-	178
At 31 March 2019	130	84	-	214
Net book value				
At 31 March 2019	1,487	1,987	-	3,474
2018				
Cost				
At date of incorporation	-	-	-	-
Additions (Note 4(Aiii))	75	78	-	153
Additions	6	-	-	6
At 31 March 2018	81	78	-	159
Accumulated depreciation				
At date of incorporation	-	-	-	-
Charge for the financial period	24	12	-	36
At 31 March 2018	24	12	-	36
Net book value				
At 31 March 2018	57	66	-	123

15 Financial Assets

Adoption of IFRS 9

The following table sets out the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the affected class of the Group's financial assets as at 1 April 2018:

	Note	Measurement category		Carrying amount		
		IAS 39	IFRS 9	IAS 39 US$'000	IFRS 9 US$'000	Differences US$'000
Non-current financial assets						
Financial assets	(a)	AFS	FVOCI	10,758	10,758	-

The transition impact to Consolidated Balance Sheet and Consolidated Statement of Changes in Equity are summarised as follows:

	Note	Financial Assets		Equity
		Available-for-sale (AFS)	Fair value through other comprehensive income (FVOCI)	Fair value reserve
		US$'000	US$'000	US$'000
The Group				
At 31 March 2018 before adoption of IFRS 9		10,758	-	(11,040)
Reclassified:				
- quoted equity securities from AFS to FVOCI	(a)	(10,758)	10,758	-
At 1 April 2018 after adoption of IFRS 9		-	10,758	(11,040)

(a) The Group elected to recognise changes in the fair value of its existing quoted equity securities previously classified as "available-for-sale" in "fair value through other comprehensive income". These investments are not held for trading and are strategic investments.

15 Financial Assets (cont'd)

As at reporting date, the details of the Group's financial assets are as follow:

	2019 US$'000	2018 US$'000
Quoted equity investment, at fair value (Note 15a)		
- classified as FVOCI	8,175	-
- classified as Available-for-sale	-	10,758
Unquoted equity security, at fair value (Note 15b)		
- classified as FVOCI	-*	-*
	8,175	10,758

* Less than US$1,000

(a) Movement in Quoted Equity Investment, at Fair Value:

	2019 US$'000	2018 US$'000
At 1 April/ date of incorporation	10,758	-
Additions [(1)]	20,356	21,798
Disposals	(26,654)	-
Fair value gain/(loss) recognised during the year:		
- FVOCI, recognised in other comprehensive income	1,388	(11,040)
- FVPL, recognised in profit or loss [(1)]	2,327	-
At 31 March	8,175	10,758

[(1)] These include investments in certain equity securities classified as "fair value through profit or loss".

The movement of the fair value reserve for the quoted equity investment is set out in the Consolidated Statement of Changes in Equity.

(b) Details of Unquoted Equity Securities, at Fair Value:

Name	Country of incorporation	Principal activities	Percentage of equity held by the Company 2019	2018
Navig8 ACM VI LLC	Marshall Islands	Ship chartering	5%	-
Navig8 SG JV LLC	Marshall Islands	Ship chartering	5%	-

On 1 March 2019, interests in these unquoted equity securities involving entities under common control were transferred to the Group. At the date of transfer and reporting date, the fair values approximate their carrying values.

16 Interests in Associates

	2019 US$'000	2018 US$'000
Cost of investments	31,794	31,730
Share of losses in associates	(1,847)	(622)
	29,947	31,108
Amounts due from associates [1]	2,718	9,784
At 31 March	32,665	40,892
Representing:		
At 1 April/date of incorporation	31,108	-
Additions (Note 4(Aiii))	1,179	19,901
Additions	500	11,829
Share of losses for the current financial year/period	(1,225)	(622)
Derecognition of an associate to a subsidiary (Note 4(Aii))	(1,615)	-
At 31 March	29,947	31,108

[1] The amounts due from associates represent quasi-equity loans which are stated at cost as the repayments are neither planned nor likely to occur in the foreseeable future. It is impractical to determine the terms of repayment as the timing of future cash flows cannot be measured reliably.

Details of the associates are as follows:

Name	Country of Incorporation	Effective interest held by the Group 2019 %	Effective interest held by the Group 2018 %	Note
D8 Product Tankers I LLC	Marshall Islands	50	50	(a),(b)
Herakleitos 3050 LLC	Marshall Islands	-	50	(a),(b),(d)
Navig8 Chemical Tankers Inc	Marshall Islands	3	3	(b),(c),(e)
SWS VLCC JV LLC	Marshall Islands	50	50	
TB Marine Shipmanagement GmbH & Co. KG	Germany	50	-	(b)
DUNA Marine Shipmanagement	Latvia	20	-	(b)
Cassiopeia Shipmangement (Cyprus) Ltd	Cyprus	20	-	(b)
GCC German Crew Center GmbH	Germany	20	-	(b)

16 Interests in Associates (cont'd)

Details of the associates are as follows:

(a) Audited by Moore Stephens LLP, Singapore.
(b) The reporting date of the companies is 31 December. For the purpose of applying the equity method of accounting, the financial statements of these companies for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2019.
(c) Audited by PricewaterhouseCoopers AS, Oslo, Norway.
(d) During the current financial year, the Group acquired the remaining 50% interest in this entity through a step acquisition and this entity is now a wholly-owned subsidiary of Navig8 Asset Holdings Inc.
(e) The Group is deemed to have significant influence in Navig8 Chemical Tankers Inc as the ultimate holding company holds a further 17% interest in the entity.

The following table summarises the financial information in respect of the material associate. The summarised financial information below represents amounts before intragroup eliminations.

SWS VLCC JV LLC

	2019 US$'000	2018 US$'000
Current assets	4,530	2,929
Non-current assets	83,728	86,734
Current liabilities	8,007	5,866

	2019 US$'000	2018 US$'000
Revenue	3,428	1,783
Profit/(loss) from continuing operations	973	(581)
Total comprehensive income/(loss)	973	(581)

Reconciliation of the above summarised financial information to the carrying amount of the interest in SWS VLCC JV LLC recognised in the financial statements

	2019 US$'000	2018 US$'000
Net assets of SWS VLCC JV LLC	37,048	36,740
Proportion of the Group's ownership	50%	50%
Carrying amount of the Group's interest	18,524	18,370

16 Interests in Associates (cont'd)

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individual immaterial associated companies accounted for using the equity method:

	2019 US$'000	2018 US$'000
The Group's share of:		
Loss from continuing operations	1,335	-
Other comprehensive income	-	-
Total comprehensive loss	1,335	-
Aggregate carrying amount of the Group's interests in these associates	11,423	12,738

17 Inventories

	2019 US$'000	2018 US$'000
Bunkers, at cost	25,991	2,799

The bunker cost incurred during the financial year/period is presented under operating expenses (Note 6).

18 Trade and Other Receivables and Prepayments

	2019 US$'000	2018 US$'000
Trade receivables:		
Third parties	326,129	190,064
Less: Allowance for impairment losses	(23,719)	(5,549)
	302,410	184,515
Other receivables:		
Third parties	11,676	21,042
Related parties	49,002	83,353
Derivative asset	502	268
	61,180	104,663
Prepayments	3,725	1,815
	367,315	290,993

During the financial year/period ended 31 March 2019 and 31 March 2018, the Group has factored trade receivables to a financial institution in exchange for cash. The business model is to hold the assets to collect contractual cash flows. The transaction has been accounted for as a collateralised borrowing as the Group retains the risk in the event of default by these customers.

18 Trade and Other Receivables and Prepayments (cont'd)

As at 31 March 2019, the carrying amount and fair values of the transferred receivables is US$95.4 million (2018: US$86.7 million) and the carrying amount of the associated liability is US$81.1 million (2018: US$73.7 million).

The exposures to credit and currency risks are disclosed in Note 28 to the consolidated financial statements.

	2019 US$'000	2018 US$'000
Accrued receivables:		
Freight revenue earned but not billed	85,316	-

Accrued receivables represent the Group's right to consideration for work completed but not billed at the reporting date. Invoices are billed to customers when the rights become unconditional. The significant changes in the accrued receivables at the reporting date are as follows:

	2019 US$'000	2018 US$'000
Accrued receivables:		
Accrued receivables reclassified to trade receivables	(17,964)	-
Changes in measurement of progress	85,316	-

19 Cash and Bank Balances

	2019 US$'000	2018 US$'000
Cash at banks and on hand	73,602	18,825

Cash and bank balances in the consolidated statement of cash flows comprise:

	2019 US$'000	2018 US$'000
Cash and bank balances	73,602	18,825
Less: Bank balances pledged with financial institutions	(1,390)	(788)
Cash and bank balances as disclosed in the consolidated statement of cash flows	72,212	18,037

The weighted average effective interest rate on bank deposits as at 31 March 2019 is 0.2% (2018: 0.2%) per annum.

20 Share Capital

	2019		2018	
	No. of shares	Amount US$'000	No. of shares	Amount US$'000
Issued and fully paid shares:				
At 1 April/date of incorporation	1,000	1	-	-
Issuance of shares	-	-	1,000	1
At 31 March	1,000	1	1,000	1

There is no par value for these ordinary shares.

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

21 Reserves

	2019 US$'000	2018 US$'000
Fair value reserve	(9,652)	(11,040)
Other reserve	150	-
Retained earnings	193,375	(40,246)
At 31 March	183,873	(51,286)

Fair value reserve

The fair value reserve records the cumulative fair value changes of financial assets at FVOCI (2018: financial assets, available-for-sale) until they are de-recognised or impaired. The movement of the Group's fair value reserve during the financial year/period is as follows:

	2019 US$'000	2018 US$'000
At 1 April/date of incorporation	(11,040)	-
Fair value gain/(loss) recognised during the financial year/period	1,388	(11,040)
At 31 March	(9,652)	(11,040)

22 Non-Controlling Interests

	2019 US$'000	2018 US$'000
At 1 April/date of incorporation	6,765	-
Business combinations under common control (Note 4(Aiii))	484	5,666
Share of profits for the financial year/period	2,511	630
Dividends paid during the financial year/period	(979)	-
Effect of acquisition/dilution of interest in subsidiaries (Note 4(Ai))	363	469
Exercise of share options during the financial year	28	-
At 31 March	9,172	6,765

A dividend amounting to US$1.0 million (2018: Nil) was approved and paid out of the retained earnings of subsidiaries to non-controlling interests during the financial year.

23 Bank Loan

	2019 US$'000	2018 US$'000
Bank loan		
- Non-current	1,689	563
- Current	5,733	2,252
	7,422	2,815

The weighted average interest rate for the bank loan range is 5.4% per annum (2018: 4.7% per annum) with maturity period of 5 years (2018: 2 years). The bank loan is secured by a corporate guarantee from the ultimate holding company.

There were no defaults or breaches of loan agreement terms during the financial year/period ended 31 March 2019 and 31 March 2018.

24 Other Borrowings

	2019	2018
	US$'000	US$'000
Other borrowings		
- Non-current	297,339	114,573
- Current	49,395	9,111
	346,734	123,684

The weighted average interest rates for the other borrowings range from 5% to 7% per annum (2018: 5% to 7% per annum) with maturity periods from 2 to 10 years (2018: 2 to 10 years).

During the financial year/period ended 31 March 2019 and 31 March 2018, the Group through its subsidiaries entered into various contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Where no obligation to purchase the vessels is included, the Group has applied its judgment and determined that the exercise of the purchase option is “almost certain” and treated as financing arrangements. The ultimate holding company provides guarantees of the obligations entered into by the subsidiaries.

25 Short-term Borrowings

During the financial year/period ended 31 March 2019 and 31 March 2018, the Group benefited from credit-line facilities obtained by some of its pools and bunker trading division. The facilities are secured by a floating charge over the assets of the borrower and are made available through draw-downs in tenures of not more than 120 days. The average interest rate is 4.9% per annum (2018: 4.0% per annum).

Short-term borrowings related to the pools represent the Group’s share of the facilities on consolidation of the pools’ assets and liabilities. There were no defaults or breaches of terms of the facilities during the financial year/period.

26 Trade and Other Payables

	2019	2018
	US$'000	US$'000
Trade payables	226,227	166,437
Accruals	75,543	14,618
Other payables	64,159	8,607
Related parties	29,042	203,438
	394,971	393,100

27 Segment Information

Information concerning about reportable segments for the financial year/period are as follows:

- Asset Management – includes voyage charter freight income and time and bareboat charter income.
- Services – includes bunker trading income, commission income, administration fees and management fees.

A) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

2019	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
Revenue	157,258	2,696,969	2,854,227	(135,047)	2,719,180
Operating expenses	(150,998)	(2,649,883)	(2,800,881)	129,684	(2,671,197)
Profit from operations	6,260	47,086	53,346	(5,363)	47,983
Other income	(262)	819	557	59	616
Other expenses	(1)	(576)	(577)	-	(577)
Administrative expenses	(1,052)	(26,491)	(27,543)	5,363	(22,180)
Finance income	8	2,812	2,820	(2,791)	29
Finance costs	(12,984)	(4,981)	(17,965)	2,791	(15,174)
Share of losses in associate	(1,214)	(11)	(1,225)	-	(1,225)
	(9,245)	18,658	9,413	59	9,472
Exceptional item-Net gain on disposal of financial assets	2,327	-	2,327	-	2,327
(Loss)/Profit before income tax	(6,918)	18,658	11,740	59	11,799
Income tax expense	-	(40)	(40)	-	(40)
Net (loss)/profit for the financial year	(6,918)	18,618	11,700	59	11,759

2018	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
Revenue	66,359	1,195,780	1,262,139	(37,014)	1,225,125
Operating expenses	(64,011)	(1,181,825)	(1,245,836)	37,014	(1,208,822)
Profit from operations	2,348	13,955	16,303	-	16,303
Other income	98	338	436	-	436
Other expenses	(5)	(176)	(181)	-	(181)
Administrative expenses	(603)	(7,990)	(8,593)	-	(8,593)
Finance income	2	10	12	-	12
Finance costs	(2,363)	(1,764)	(4,127)	-	(4,127)
Share of losses in associate	(622)	-	(622)	-	(622)
(Loss)/Profit before income tax	(1,145)	4,373	3,228	-	3,228
Income tax refund	-	62	62	-	62
Net (loss)/profit for the financial period	(1,145)	4,435	3,290	-	3,290

27 Segment Information (cont'd)

B) Reconciliation

	2019 US$'000	2018 US$'000
(i) Segment assets		
Asset Management	618,118	329,794
Services	679,228	284,731
Total segment assets	1,297,346	614,525
Eliminations	(240,375)	(65,665)
Consolidated total assets	1,056,971	548,860
(ii) Segment liabilities		
Asset Management	(720,091)	(414,354)
Services	(361,089)	(236,792)
Total segment liabilities	(1,081,180)	(651,146)
Eliminations	217,255	57,766
Consolidated total liabilities	(863,925)	(593,380)

C) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Asset Management	7,127	2,399	255,980	74,602
Services	178	35	73	6
Total	7,305	2,434	256,053	74,608

28 Financial Risk Management Objectives and Policies

A) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including charter rate risk, interest rate risk and foreign currency risk), credit risk and liquidity risk arising in the normal course of the Group's business. The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(i) Charter rate risk

The Group's operating revenue principally comprises of income from voyage charter freight and from bareboat charters and time charters which ranges from 2 to 10 years (2018: Nil).

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk because entities in the Group borrow at fixed and floating rates. The risk is managed by maintaining an appropriate mix of fixed and floating borrowings, including the use of swaps and other financial instruments where appropriate.

The Group has no significant interest bearing assets, other than bank deposits and cash equivalents. The Group has no significant interest bearing liabilities, other than bank loans and finance lease obligations and the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

The tables below set out the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the maturity dates.

	Variable rates			Fixed rates				
	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Non-Interest Bearing US$'000	Total US$'000
2019								
Assets								
Cash and bank balances	73,602	-	-	-	-	-	-	73,602
Trade and other receivables (except prepayments)	-	-	-	-	-	-	363,590	363,590
Accrued receivables	-	-	-	-	-	-	85,316	85,316
Total financial assets	73,602	-	-	-	-	-	448,906	522,508
Liabilities								
Trade and other payables	-	-	-	-	-	-	394,971	394,971
Bank loans	5,733	1,689	-	-	-	-	-	7,422
Other borrowings	14,947	61,855	163,146	34,448	34,993	37,345	-	346,734
Short-term borrowings	112,298	-	-	-	-	-	-	112,298
Total financial liabilities	132,978	63,544	163,146	34,448	34,993	37,345	394,971	861,425

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk (cont'd)

	Variable rates			Fixed rates				
	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Non-Interest Bearing US$'000	Total US$'000
2018								
Assets								
Cash and bank balances	18,825	-	-	-	-	-	-	18,825
Trade and other receivables (except prepayments)	-	-	-	-	-	-	289,178	289,178
Total financial assets	18,825	-	-	-	-	-	289,178	308,003
Liabilities								
Trade and other payables	-	-	-	-	-	-	393,100	393,100
Bank loan	2,252	563	-	-	-	-	-	2,815
Other borrowings	7,639	44,245	38,450	1,472	26,796	5,082	-	123,684
Short-term borrowings	73,716	-	-	-	-	-	-	73,716
Total financial liabilities	83,607	44,808	38,450	1,472	26,796	5,082	393,100	593,315

A 3% increase/(decrease) in the interest rates of underlying borrowings at the reporting date would result in a corresponding (decrease)/increase of profit before income tax as follows:

	2019 US$'000	2018 US$'000
Profit before income tax	82	16

This analysis assumes that all other variables remain constant.

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(iii) Foreign currency risk

The Group is not exposed to significant foreign currency risk on its operating activities as most transactions and balances are denominated in United States dollar, as shown below.

	United States Dollar US$'000	Singapore Dollar US$'000	Pound Sterling US$'000	Others US$'000	Total US$'000
2019					
Financial assets					
Cash and bank balances	67,968	323	169	5,142	73,602
Trade and other receivables (except prepayments)	351,858	2,616	1,552	7,564	363,590
Accrued receivables	85,316	-	-	-	85,316
	505,142	2,939	1,721	12,706	522,508
Financial liabilities					
Trade and other payables	(381,701)	(3,302)	(3,636)	(6,332)	(394,971)
Bank loans	(7,422)	-	-	-	(7,422)
Other borrowings	(346,734)	-	-	-	(346,734)
Short-term borrowings	(112,298)	-	-	-	(112,298)
	(848,155)	(3,302)	(3,636)	(6,332)	(861,425)
Currency exposure on net financial (liabilities)/assets		(363)	(1,915)	6,374	
2018					
Financial assets					
Cash and bank balances	17,105	87	-	1,633	18,825
Trade and other receivables (except prepayments)	284,525	39	613	4,001	289,178
	301,630	126	613	5,634	308,003
Financial liabilities					
Trade and other payables	(389,309)	(249)	(623)	(2,919)	(393,100)
Bank loans	(2,815)	-	-	-	(2,815)
Other borrowings	(123,684)	-	-	-	(123,684)
Short-term borrowings	(73,716)	-	-	-	(73,716)
	(589,524)	(249)	(623)	(2,919)	(593,315)
Currency exposure on net financial (liabilities)/assets		(123)	(10)	2,715	

Management is of the view that the foreign currency risk is not significant to warrant disclosure of a sensitivity analysis.

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

A) Financial Risk Factors (cont'd)

(a) Credit Risk

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

The Group's primary exposure to credit risk arises through its trade and other receivables. It is the Group's policy to enter into transactions with creditworthy customers to mitigate any significant credit risk. The Group has procedures in place to control credit risk and exposure to such risk is monitored on an ongoing basis.

The Group'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 consolidated balance sheet.

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

Credit Risk Grading Guideline

The internal credit risk grading which are used to report the Group'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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

Based on the Group'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 Group'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 proceed with financial institution counterparties, which are rated Aa1 to Baa3, based on rating agency ratings. Debt instruments measured at amortised cost are considered low credit risks as the instrument is of a good rating.

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

Cash and Cash Equivalents and Other Financial Assets (cont'd)

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 asset are assessed to be minimal. The gross and net carrying amounts of these financial assets are disclosed in Note 18 and Note 19 to the financial statements.

Trade Receivables and Accrued Receivables

As disclosed in Note 2(p), loss allowance for trade receivables and accrued receivables have been recognised at an amount equal to lifetime expected credit losses. The Group has assessed the financial assets as performing, counterparties have low risk of default and does not have any historical defaults. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment.

The gross and net carrying amount of trade receivables are set out in Note 18 to the consolidated financial statements. The table below is an analysis of trade receivables at the reporting date:

	Gross carrying amount US$'000	Lifetime expected credit losses US$'000	Net carrying amount US$'000
31 March 2019			
Individual Assessment:			
Third Parties	24,064	(23,261)	803
Collective Assessment:			
Third Parties			
Current	284,676	(82)	284,594
Past due:			
Up to three months	9,489	(57)	9,432
More than three months	7,900	(319)	7,581
	326,129	(23,719)	302,410

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

Trade Receivables and Accrued Receivables (cont'd)

The movement in allowance for impairment of trade receivables is as follows:

	2019 US$'000	2018 US$'000
At 1 April	5,549	-
Additions (Note 4(Aiii))	18,251	2,831
Impairment loss for the financial year/period (Note 6)	4,494	3,450
Impairment loss written back for the financial year/period (Note 6)	(1,464)	(553)
Impairment written off	(3,111)	(179)
At 31 March (Note 18)	23,719	5,549

The impaired trade receivables arose from long outstanding amounts which remained unpaid at the reporting date and accordingly there are significant uncertainties on the recovery of the amounts. None of the trade receivables that have been written off is subject to enforcement activities.

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

The table below is an analysis of trade and other receivables as at 31 March 2018:

	2018 US$'000
Not past due and not impaired	284,416
Past due but not impaired *	4,762
Past due and impaired	5,549
	294,727
Less: Allowance for impairment losses	(5,549)
Trade and other receivables, net	289,178

* Aging of trade receivables that are past due but not impaired:

	2018 US$'000
Past due:	
- Up to three months	2,728
- More than three months	2,034
	4,762

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

A) Financial Risk Factors (cont'd)

(c) Liquidity Risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in 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.

	Carrying Amounts	Cash Flows			
		Contractual cash flows	Within one year	Between two to five years	After five years
	US$'000	US$'000	US$'000	US$'000	US$'000
2019					
Trade and other payables	(394,971)	(394,971)	(394,971)	-	-
Bank loans	(7,422)	(7,798)	(5,944)	(1,854)	-
Other borrowings	(346,734)	(484,014)	(71,213)	(164,565)	(248,236)
Short-term borrowings	(112,298)	(112,298)	(112,298)	-	-
	(861,425)	(999,081)	(584,426)	(166,419)	(248,236)
2018					
Trade and other payables	(393,100)	(393,100)	(393,100)	-	-
Bank loans	(2,815)	(3,209)	(706)	(2,503)	-
Other borrowings	(123,684)	(152,297)	(15,671)	(86,476)	(50,150)
Short-term borrowings	(73,716)	(73,716)	(73,716)	-	-
	(593,315)	(622,322)	(483,193)	(88,979)	(50,150)

B) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to operate as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders, to support the Group's stability and growth; and to provide capital for the purpose of strengthing the Group's financial management capability. There is no change in its capital management policy during the current financial year and previous financial period.

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

Capital includes share capital, reserves and interest bearing debts.

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

B) Capital Risk Management (cont'd)

The Group monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as short and long-term debts over total assets. Short and long-term debts comprise short-term borrowings, other borrowings and the bank loan.

	2019 US$'000	2018 US$'000
Short and long-term debts	466,454	200,215
Total assets	1,056,971	548,860
Leverage ratio	44%	36%

The Group does not have to comply with any externally imposed capital requirements for the financial year/period ended 31 March 2019 and 31 March 2018.

C) Fair Value Estimation

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(i) Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
At 31 March 2019				
Financial assets	8,175	-	-*	8,175
At 31 March 2018				
Financial assets	10,758	-	-*	10,758

* less than US$1,000

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

C) Fair Value Estimation (cont'd)

Financial assets

Transfer of financial assets

The Group's policy is to regard transfers between fair value levels as having occurred at the date of the event giving rise to those transfers.

Level 1 Fair value measurement

The fair value of the securities is measured based on the current bid price of the financial asset as at year/period end.

Other than as disclosed above, there were no transfer in each Level during the financial year/period ended 31 March 2019 and 31 March 2018.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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 bank loans and other borrowings compared to fair values are shown below:

	2019		2018	
	Carrying value US$'000	Fair value US$'000	Carrying value US$'000	Fair value US$'000
Bank loans and other borrowings	354,156	356,072	126,499	127,310

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.

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

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (cont'd)

Fair value hierarchy

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
At 31 March 2019				
Financial liabilities				
Bank loans and other borrowings	-	356,072	-	356,072
At 31 March 2018				
Financial liabilities				
Bank loans and other borrowings	-	127,310	-	127,310

29 Commitments

(a) As Lessee

The Group has operating lease commitments for bareboat and time charter and office premises.

At the reporting date, the future minimum rental payables under non-cancellable operating leases is as follows:

(i) Bareboat and Time Charter

	2019 US$'000	2018 US$'000
Due:		
Within one year	22,043	-

(ii) Office Rentals

The Group has entered into several commercial leases for the office premises and facilities for lease terms of between two to five years (2018: two to five years). There are no restrictions placed upon the Group by entering into these leases. At the reporting date, the future minimum rental payables under non-cancellable operating leases is as follows:

	2019 US$'000	2018 US$'000
Due:		
Within one year	2,727	136
Between two to five years	8,320	337
	11,047	473

29 **Commitments** (cont'd)

(b) As Lessor

The Group's subsidiaries and joint venture companies have chartered out a number of vessels under time charter and bareboat charter agreements which are classified as non-cancellable operating leases. These charters have terms ranging from two to five years (2018: Nil). Future minimum lease receivables under these charters are as follows:

	2019	2018
	US$'000	US$'000
Due:		
Within one year	1,257	-

Operating lease receipts are recognised in profit or loss during the financial year/period as part of revenue.

(b) Capital Commitments

Capital expenditures contracted for as at 31 March but not recognised in the financial statements is as follows:

	2019	2018
	US$'000	US$'000
Commitments related to shipyard instalments	266,328	498,876

30 **Related Party Transactions**

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered the following material related party transactions:

Key Management Personnel

The Group's key management decisions are undertaken by its directors. The directors are employed and remunerated by its related parties, Navig8 Asia Pte. Ltd. and Navig8 Risk Management Pte. Ltd., which are incorporated in Singapore.

31 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares issued during the financial year as follows:

	2019 US$'000	2018 US$'000
Net profit attributable to equity holders of the Group	9,248	2,660
Weighted average number of ordinary shares outstanding for basic earnings per share	1	1
Basic earnings per share	9,248	2,660

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Group and the weighted average number of ordinary shares issued are adjusted for the effects of all dilutive potential ordinary shares.

There are no potential dilutive shares during the financial year/period ended 31 March 2019 and 31 March 2018. Accordingly, the diluted earnings per share is computed to be the same as the basic earnings per share for the financial year/period ended 31 March 2019 and 31 March 2018.

31 Comparative Figures

The comparative figures covered the financial period from 14 September 2017 to 31 March 2018. The consolidated financial statements for the current financial year covered the twelve months ended 31 March 2019.

32 Events after the Reporting Date

Transfer of shares of Straits Shipping 4 Pte. Ltd.

On 8 April 2019, the ultimate holding company transferred its 50% shareholdings in Straits Shipping 4 Pte. Ltd to this Group under common control.

Bonds issuance

On 3 May 2019, the Company issued US$100 million senior secured bonds. These bonds will mature on 3 May 2023.

32 Events after the Reporting Date (cont'd)

Merger of Ship Management services with Suntech Maritime Pte. Ltd.

On 15 May 2019, the Group disposed a 50% interest in its Ship Management division, which provides technical management services to Suntech Maritime Pte. Ltd. Upon the disposal, the Group holds a 50% interest in Suntech Ship Management Pte. Ltd. (formerly known as Navig8 Ship Management Pte. Ltd.) through a 50% interest held by Technical Investments Inc in Suncorp Holdings Inc, holding company of Suntech Maritime Pte. Ltd.

Delivery of vessels from New Times Shipbuilding

Subsequent to the financial year, the Group has taken delivery of six 49,000DWT and four 110,600DWT scrubber fitted vessels from New Times Shipbuilding. These vessels will be entered into and operated in the Group's commercial pools.

NAVIG8 TOPCO HOLDINGS INC.

Q1 RESULTS

Navig8

27 AUGUST 2019

www.navig8group.com

NAVIG8 TOPCO HOLDINGS INC.

Navig8

Q1 – Financial Year 2019/2020

August 27, 2019 – Navig8 Topco Holdings Inc. (the "Company" and, together with its subsidiaries, the "Group") has today presented its consolidated unaudited financial statements for the three (3) months ended 30 June 2019.

BUSINESS OVERVIEW

- Post-tax profit (before minority interests) amounted to USD 6.9 million (USD2.2 million for the same quarter last year).

- EBITDA amounted to USD18.9 million (USD6.2 million for the same quarter last year).

- Services:
  - ➢ EBITDA of USD11.7m for the quarter (USD8.2m for the same quarter last year).
  - ➢ Commercial Management: Tankers and Chemicals delivered a respective weighted average TCE of $15,574/day and $14,598/day which was up approximately 12% year-on-year for both segments. In addition to higher TCE rates, overheads were lower (down USD0.9 million) compared to the same quarter last year. The period-end Tankers and Chemicals pool fleets comprised 89 and 55 vessels respectively.
  - ➢ Bunker Procurement: Integr8 Fuels continued to drive improved financial performance, with higher business margins compared to the same quarter last year.

- Asset Management:
  - ➢ EBITDA of USD7.2m for the quarter (USD(2.0)m for the same quarter last year).
  - ➢ The Group took delivery of four (4) long-range (LR2) product tankers and two (2) medium-range (MR) product tankers during the quarter. Following delivery from New Times Shipbuilding Co. Ltd., each vessel was entered into the relevant Navig8 pool.
  - ➢ The Group also concluded (upon maturity of an existing debt facility) the refinancing of one vessel owned under a joint venture.

"The Group's Q1 FYE20 results continue to reflect the benefits derived from a diversified business model. Despite relatively subdued markets across the crude, product and chemical segments – and amidst a significant newbuilding delivery program – we delivered a year-on-year increase in both EBITDA and post-tax profit. We are very optimistic about the many opportunities that will be created by IMO2020 dislocations for both shipping and bunker markets."
Nicolas Busch, Navig8 Group CEO

Summary Financial Development

INCOME STATEMENT

- For the quarter ending 30 June 2019, the Company generated a post-tax profit (before minority interests) of USD6.9 million compared with USD2.2 million in the same quarter last year.

- Consolidated revenue increased by USD75.0 million (or 11%) to USD774.4 million for the quarter, with operating costs increasing at a slower pace and resulting in an improved gross margin of USD33.2 million (prior quarter - USD21.4 million). Overheads were lower at USD14.3 million (USD15.2 million), resulting in EBITDA of USD18.9 million for the quarter (USD6.2 million).

- Depreciation and financial items were both significantly higher compared with the same quarter last year (USD7.9 million vs. USD1.7 million, and USD4.2 million vs. USD1.3 million respectively), reflecting the depreciation on 10 newbuilding vessels delivered since August 2018, of which 6 were delivered during the quarter.

BALANCE SHEET
(Compared with pro forma balance sheet as at 31 March 2019)

- Total assets as at 30 June 2019 were USD1,187.1 million (USD1,021.7 million), of which vessel-related assets amounted to USD617.4 million (USD460.4 million). Net working capital was USD10.1 million (USD(42.6) million), while cash and bank balances were USD85.1 million compared with USD74.5 million as at 31 March 2019.

- Net equity as at 30 June 2019 was USD196.1 million compared with USD186.4 million as at 31 March 2019.

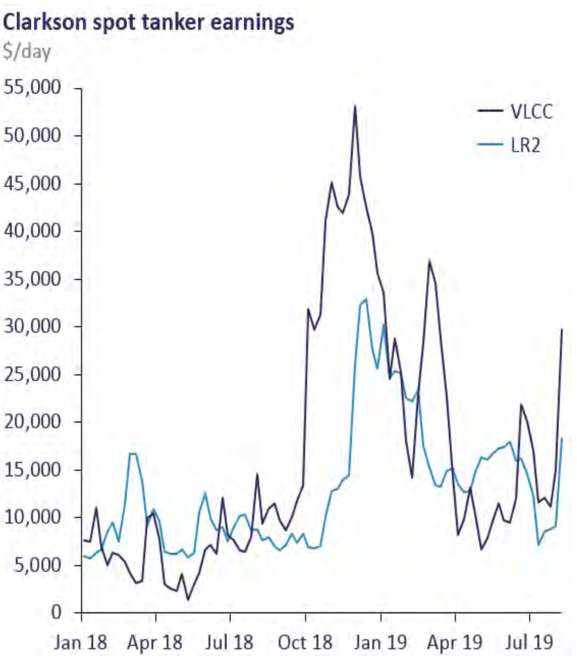
- The receivables financing facility for the bunker procurement business was utilized in an amount of USD115.3 million as of 30 June 2019 (USD112.7 million), while loans (including sale and leaseback financings and the USD100 million bond issued during the quarter) amounted to USD568.2 million (USD354.2 million).

The Group is in compliance with relevant financial covenants as at 30 June 2019 and on the reporting date.

Summary Market Outlook

CRUDE MARKET

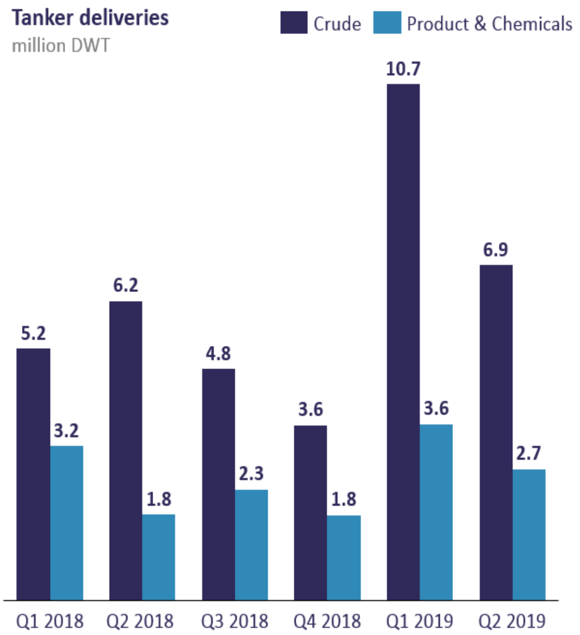
- Tanker rates point towards a possible inflexion point in August following a weak H1 2019 driven by a high level of residual orderbook deliveries and reduced exports from OPEC+, which combined to counter the positive dynamic of rising year-on-year oil demand and increasing long-haul US crude exports.
- H1 2019 newbuilding delivery levels are not expected to continue through the remaining months of 2019, with a consensus expectation of a steep decline in H2 deliveries as was seen in H2 2018.
- OPEC and allies have continued to withhold crude from the market to support prices, leading to fewer export cargoes (e.g. reported Saudi crude loadings of 6.96 million b/d in Q2 2019, down 430,000 b/d vs. Q2 2018).
- The continued rapid expansion in US crude production and exports has been positive for crude tankers and is expected to continue, with rising shale production and higher investment into US infrastructure facilitating greater (and competitively priced) crude export volumes to long-haul destinations.



SOURCE: Clarksons

PRODUCT MARKET

- Mirroring crude, the product market experienced weak rates through H1 2019 before recovering in August, and a similarly high level of H1 deliveries to be absorbed but with much reduced delivery levels expected for H2 2019.
- H1 2019 saw sustained and heavy refinery maintenance (partly in preparation for 2020) coupled with stock draws, which were a short-term negative for tankers but have created a more balanced oil market presently.
- The next phase of Middle East refinery expansions is now commencing, with Saudi Arabia’s Jazan (400,000 b/d) coming onstream year followed by Kuwait’s even larger Al-Zour (600,000 b/d) scheduled to come onstream in 2020; both projects are export-orientated and expected to push more product long haul.
- Leading market commentators (e.g. IEA) continue to expect higher year-on-year demand, despite ongoing US-China trade war and broader economic uncertainty.



SOURCE: Navig8 Research

Summary Market Outlook (contd)

CHEMICAL MARKET

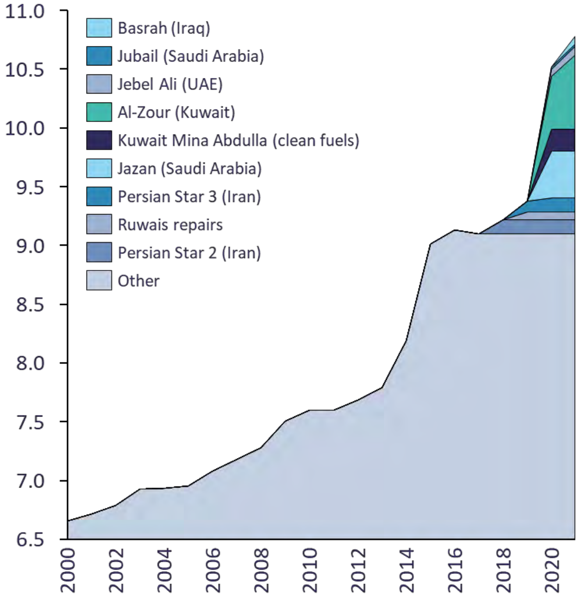
- While, directionally, the chemical tanker market has followed the product tanker market, the industrial nature of the business, typically involving the movement of higher cargo volumes under term contracts, enabled chemical tankers to achieve Q2 earnings premiums of around $1,000/day and $4,000/day respectively for IMO II Handys and MRs compared to equivalent sized product tankers.
- Further significant expansion in export-oriented petrochemical infrastructure is due to come onstream in the US and Middle East over the 12 months, which will add to underlying demand for chemical tankers.

IMO 2020 EFFECT

- In advance of the entry-into-force of new regulations limiting sulphur emissions from January 2020, a large number of vessels whose owners have ordered scrubbers as a means of compliance, including crude/product/chemical tankers, are expected to temporarily exit the market during 2019 for retrofit.
- With no rush to the yards during Q2 2019, the consequent concentration of retrofit activity in H2 2019 is expected to result in further supply tightness through the balance of 2019 and into 2020.
- With the very pronounced, immediate shift in choice of bunker fuels driven by the new IMO 2020 regulations, many market analysts expect these fundamental changes to lead to an increase in trade for tankers, both to move the incremental crude needed for refining to meet higher distillate fuel demand but also to then move that distillate globally to ensure consistent and widespread access to compliant fuels.
- While the regulations become effective in January 2020, the logistics around preparation, whether by suppliers or shipowners, means that the transition process is widely expected to begin in earnest later in Q3 2019.

Middle East refinery capacity (CDU)

million b/d



SOURCE: Wood Mackenzie; Navig8 Research

Consolidated Income Statement

NAVIG8 TOPCO HOLDINGS INC.

Figures in USD millions

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	Notes	Quarter ended 30 June 2019	Quarter ended 30 June 2018	Year to date 31 March 2019
Income	4	774.4	699.4	3,126.7
Operating expenses		-741.2	-678.0	-3,016.1
Gross Profit		**33.2**	**21.4**	**110.6**
Administrative expenses		-14.3	-15.2	-66.2
EBITDA	4	**18.9**	**6.2**	**44.4**
Financial Items		-7.5	-1.7	-11.7
Depreciation		-4.2	-1.3	-8.8
Share of profits/(losses) in associates and joint ventures		0.3	-0.4	0.3
Net profit before tax		**7.5**	**2.8**	**24.2**
Tax		**-0.6**	**-0.6**	**-2.2**
Net profit after Tax		**6.9**	**2.2**	**22.0**
Minority interest		**-0.8**	**-0.6**	**-3.3**
Net profit after tax and minority interest		**6.1**	**1.6**	**18.7**

Consolidated Balance Sheet

NAVIG8 TOPCO HOLDINGS INC.

Figures in USD millions

Condensed Consolidated Statement of Financial Position	Notes	Quarter ended 30 June 2019	Year to date 31 March 2019
Fixed Assets			
Vessels	5	529.2	283.3
Vessels under construction	5	88.2	177.1
Other fixed assets	5	3.3	3.5
Financial Assets	5	48.4	44.8
Current Assets			
Inventory		24.3	26.0
Trade debtors		269.0	302.4
Other debtors		139.6	110.1
Cash & Collateral		85.1	74.5
Total Assets		**1,187.1**	**1,021.7**
Current Liabilities			
Credit lines		115.3	112.7
Short-term loans	6	41.5	68.1
Trade payables		170.9	226.2
Other creditors		136.6	142.2
Long-term Liabilities			
Long-term loans	6	526.7	286.1
Capital & Reserves			
Share capital		0.0	0.0
Reserves		187.3	177.2
Minority interest		8.8	9.2
Total Capital & Reserves		**196.1**	**186.4**
Total Liabilities		**1,187.1**	**1,021.7**

Consolidated Cashflow Statement

NAVIG8 TOPCO HOLDINGS INC.

Figures in USD millions

Condensed Consolidated Cash Flow Statement	Quarter ended 30 June 2019	Quarter ended 30 June 2018	Year to date 31 March 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before income tax	7.5	2.8	21.9
Adjustment for:-			
Depreciation of vessels and other fixed assets	4.2	1.3	8.8
Loss/(Gain) on disposal or write off of financial and other fixed assets	0.0	0.0	0.6
Share of losses/(profits) in joint ventures and associates	-0.3	0.4	-0.4
Operating profit/(loss) before working capital changes	11.4	4.5	30.9
Changes in working capital:			
Inventories	1.7	4.7	-9.6
Trade and other receivables and prepayments	2.5	-14.8	-98.5
Trade and other payables	-57.6	6.7	115.4
Cash generated from/(used in) operations	-42.0	1.1	38.2
Income tax paid	-1.6	-0.2	-3.6
Net cash generated from/(used in) operating activities	-43.6	0.9	34.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for vessel instalments and drydocking costs	-160.9	-46.7	-256.0
Purchase of other fixed assets	-0.2	-0.1	-2.7
Proceeds from disposal of financial assets	0.0	0.0	26.1
Dividends received from financial assets, joint ventures and associates	1.4	0.0	1.4
Net cash inflow/(outflow) from acquisitions	-1.6	0.0	0.0
Additional investment in associates	0.0	-0.5	-0.5
Net cash used in investing activities	-161.3	-47.3	-231.7
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to non-controlling interest	-1.2	-1.1	-2.7
Dividends paid to ultimate holding company	0.0	0.0	-5.9
Deposit pledged with financial institutions	0.6	0.0	-0.6
Government grants received	0.0	0.0	0.4
Loan to associates	0.0	-1.1	-1.4
Net proceeds from/(Repayment of) debts	216.7	20.0	209.2
Net cash generated from financing activities	216.1	17.8	199.0
Net increase/(decrease) in cash and cash equivalents	11.2	-28.6	1.9
Cash and bank balances at the beginning of the financial year	73.1	71.2	71.2
Cash and bank balances at the end of the financial year/period	84.3	42.6	73.1
Cash & Collateral	85.1	43.6	74.5
Less: Bank balances pledged with financial institutions	-0.8	-1.0	-1.4
Cash and bank balances as disclosed in Consolidated Cash Flow Statement	84.3	42.6	73.1

Consolidated Statement of Changes in Equity

NAVIG8 TOPCO HOLDINGS INC.

Figures in USD millions

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Group					
	Share Capital	Other Reserves	Retained earnings	**Total attributable to owners of the Group**	Non-controlling Interest	**Total Equity**
Balance at 31 March 2018	0.0	-11.1	174.1	**163.0**	8.4	171.4
Net profit for the financial period	0.0	0.0	18.7	**18.7**	3.4	22.1
Other comprehensive income	0.0	1.4	0.0	**1.4**	0.0	1.4
Total comprehensive income/(loss) for the financial period	0.0	1.4	18.7	**20.1**	3.4	23.5
Dividends paid to non-controlling interests	0.0	0.0	0.0	**0.0**	-2.7	-2.7
Dividends paid to the ultimate holding company	0.0	0.0	-5.9	**-5.9**	0.0	-5.9
Effect of dilution of interest in subsidiaries	0.0	0.2	-0.2	**0.0**	0.2	0.2
Balance at 31 March 2019	**0.0**	**-9.5**	**186.7**	**177.2**	**9.2**	**186.4**
Net profit for the quarter	0.0	0.0	6.1	**6.1**	0.8	6.9
Other comprehensive income	0.0	4.0	0.0	**4.0**	0.0	4.0
Total comprehensive income for the quarter	0.0	4.0	6.1	**10.1**	0.8	10.9
Dividends paid to non-controlling interests	0.0	0.0	0.0	**0.0**	-1.2	-1.2
Balance at 30 June 2019	**0.0**	**-5.5**	**192.8**	**187.3**	**8.8**	**196.1**

Consolidated Notes to Financials

NOTES TO INTERIM REPORT

1. GENERAL INFORMATION

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

The Company is principally an investment holding company. The principal activities of the Company and its subsidiaries are shipping-related, including ship-owning and chartering, brokerage and commercial management, bunker procurement, technical management and risk management.

2. BASIS OF PRESENTATION

The consolidated financial statements, which are expressed in United States dollars, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared on a going concern basis under the historical cost convention.

The figures presented are unaudited and the comparatives for the quarter ended 31 March 2018 and the year ended 31 March 2019 are presented on a pro-forma basis as though the companies under Navig8 Topco Holdings Inc were subsidiaries of the Company as of 1 April 2018.

NOTES TO INTERIM REPORT

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

i. Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the asset is estimated to determine the impairment loss. In making this judgment, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In determining the fair value less costs of disposal, the Group has obtained valuation reports from third party source. The valuation of the vessels is prepared assuming a sale between a willing seller and a willing buyer on a charter-free basis.

ii. Useful lives of vessels and other fixed assets and residual value of vessels

The Group determines the estimated useful lives and related depreciation charges for its vessels and other fixed assets. This estimate is based on the historical experience of the actual useful lives of vessels and other fixed assets of a similar nature and function. Changes in the remaining useful life of the vessel and other fixed assets and residual value, determined based on year end scrap rates, technical innovations and competitor actions, would result in an adjustment to the current and future rate of depreciation through profit or loss. Management will increase the depreciation charge where useful lives are less than previously estimated. Management will write-off or write-down technically obsolete assets.

NOTES TO INTERIM REPORT

3. SIGNIFICANT ACCOUNTING POLICIES CONT.

iii. Loss allowance for receivables (including accrued receivables)

The Group applies the simplified approach to provide expected credit losses for all trade receivables as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

iv. Leases

In making an evaluation, judgment is used in determining lease classification.

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.

During the quarter, the Group entered into contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Management has applied its judgment and applied IFRIC 4 "Determining whether an Arrangement contains a Lease". Management has assessed that the agreements entered into between the Group and third parties do not qualify for sale-leaseback accounting, as a result of this purchase option which constitutes a form of continuing involvement by the Group in the vessel. The Group has applied its judgment and determined that the exercise of the purchase option is "almost certain" and treated as a financing arrangement.

v. Contingencies

The Group is involved from time to time in the course of its business in disputes resulting from its operating activities, which may or may not result in legal action being taken by or against the Group.

Based on consultations with its legal counsel, management considers the likely outcome of the disputes in which it is currently involved, and has concluded it will not have a material impact on the Group's financial statements.

Consolidated Notes to Financials

NOTES TO INTERIM REPORT

4. REVENUES AND EBITDA

REVENUES

Figures in USDm	Quarter ended 30 June 2019	Quarter ended 30 June 2018	Year to date 31 March 2019
Services	669.9	624.1	2,771.4
Asset Management	104.5	75.3	355.3
Total Revenues	**774.4**	**699.4**	**3,126.7**

EBITDA

Figures in USDm	Quarter ended 30 June 2019	Quarter ended 30 June 2018	Year to date 31 March 2019
Services	11.7	8.2	41.3
Asset Management	7.2	-2.0	3.1
EBITDA	**18.9**	**6.2**	**44.4**

Consolidated Notes to Financials

NOTES TO INTERIM REPORT

5. FIXED ASSETS

VESSELS:

Figures in USDm	Quarter ended 30 June 2019	Year to date 31 March 2019
Cost		
At beginning of period/year	307.9	97.1
Additions	1.1	113.5
Transfer of delivered vessels	248.7	70.2
Addition from step acquisition	-	27.0
At end of period/year	557.7	307.8
Accumulated depreciation		
At beginning of period/year	24.6	17.4
Charge for the financial period/year	3.9	7.1
At end of period/year	28.5	24.5
Net book value		
At end of period/year	**529.2**	**283.2**

VESSELS UNDER CONSTRUCTION:

Figures in USDm	Quarter ended 30 June 2019	Year to date 31 March 2019
Cost		
At beginning of period/year	177.1	104.8
Additions	159.9	142.5
Transfer of delivered vessels	-248.7	-70.2
At end of period/year	**88.3**	**177.1**

See also Group Fleet List on slide 18.

Consolidated Notes to Financials

NOTES TO INTERIM REPORT

5. FIXED ASSETS (CONTD)

OTHER FIXED ASSETS *Figures in USDm*	**Quarter ended 30 June 2019**	**Year to date 31 March 2019**
Cost		
At beginning of period/year	12.9	11.9
Additions	0.3	2.8
Write off/Disposals	-0.1	-1.7
At end of period/year	13.1	13.0
Accumulated depreciation		
At beginning of period	9.5	9.4
Charge for the financial period/year	0.4	1.7
Write off/Disposals	-0.1	-1.6
At end of period/year	9.8	9.5
Net book value		
At end of period/year	**3.3**	**3.5**

FINANCIAL ASSETS *Figures in USDm*	**Quarter ended 30 June 2019**	**Year to date 31 March 2019**
Investment in financial assets	12.2	8.2
Investment in associates	32.5	32.7
Investment in joint ventures	3.7	4.0
	48.4	**44.8**

Consolidated Notes to Financials

NOTES TO INTERIM REPORT

6. INTEREST BEARING DEBT

Figures in USD thousands	Quarter ended 30 June 2019	Year to date 31 March 2019
Bank loans		
- Non-current	1.6	24.3
- Current	0.5	2.0
	2.1	26.3
Other borrowings		
- Non-current	525.1	261.8
- Current	41.0	66.1
	566.1	327.9
Total bank loans and other borrowings	**568.2**	**354.2**
Short-term loans	**41.5**	**68.1**
Long-term loans	**526.7**	**286.1**
	568.2	**354.2**

NOTES TO INTERIM REPORT

7. FORWARD LOOKING STATEMENTS

This report contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Navig8 TopCo Holding Inc.'s management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs, or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this report include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the chemicals market as a result of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other factors described from time to time.

This communication is not for publication or distribution, directly or indirectly, in or into any state or jurisdiction into which doing so would be unlawful. The distribution of this communication may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

8. EVENTS AFTER BALANCE SHEET DATE

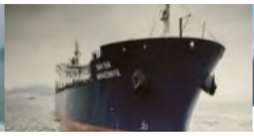
Subsequent to the balance sheet date of 30 June 2019, the Group has taken delivery of a further 3 MR tankers from New Times Shipyard.

Group Fleet List

Vessel Name	Type	DWT	Built	Shipyard	Flag
DELIVERED FLEET					
Leicester*	VLCC	300,852	Jan-17	SWS	MI
Navig8 Pride	LR2	110,000	Aug-18	New Times	MI
Navig8 Providence	LR2	110,000	Aug-18	New Times	MI
Navig8 Precision	LR2	110,000	Sep-18	New Times	MI
Navig8 Prestige	LR2	110,000	Jan-19	New Times	MI
Navig8 Perseverance	LR2	110,000	Apr-19	New Times	MI
Navig8 Passion	LR2	110,000	May-19	New Times	MI
Navig8 Promise	LR2	110,000	Jun-19	New Times	MI
Navig8 Prosperity	LR2	110,000	Jun-19	New Times	MI
Navig8 Honor	LR1	74,960	Jan-11	Sundong	MI
Navug8 Grace	MR	50,000	May-19	New Times	LIB
Navig8 Gallantry	MR	50,000	May-19	New Times	LIB
Navig8 Guard	MR	50,000	Jul-19	New Times	LIB
Navig8 Guide	MR	50,000	Jul-19	New Times	LIB
Navig8 Goal	MR	50,000	Aug-19	New Times	LIB
Navig8 Universe	MR	45,313	Jul-13	Shina SB	MI
Navig8 Constellation	MR	45,281	Sep-13	Shina SB	MI
Miss Claudia*	MR	40,158	May-06	Shina Shibuilding	MI
Aurelia 1	Bunker	7,511	Jun-07	Drydocks World Dubai	MI
Straits Sky*	Bunker	6,863	Apr-09	Jiangmen Yinxing	SG
FLEET UNDER CONSTRUCTION					
Navig8 Gauntlet	MR	50,000	Aug-19	New Times	LIB
Navig8 Gratitude	MR	50,000	Sep-19	New Times	LIB
Navig8 Gladiator	MR	50,000	Oct-19	New Times	LIB

**Ownership interest - not fully owned by Group.*





REGISTERED ADDRESS:
Navig8 Topco Holdings Inc.: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960
CORRESPONDENCE ADDRESS: Navig8 Topco Holdings Inc., c/o Nabig8 Asia Pte Ltd., 5 Shenton Way, 20-04 UIC Building, Singapore 068808

www.navig8group.com

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APPENDIX B –GUARANTOR'S FINANCIAL STATEMENTS

Index to Financial Information **Page**

NAVIG8 LIMITED
(Domiciled in Bermuda)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS
AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

31 MARCH 2019

CONTENTS	**PAGE**

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

FOR THE FINANCIAL YEAR 31 MARCH 2019

REPORT OF THE DIRECTORS

Directors

Gary Paul Brocklesby	
Nicolas Busch	
Philip Andrew Stone	
Jason Peter Klopfer	
Robert Maye	(Appointed on 14 December 2018)
Garth Lorimer Turner	(Appointed on 1 July 2019)

The directors present their report and the audited consolidated financial statements of Navig8 Limited and its subsidiaries (the "Group") for the financial year ended 31 March 2019.

Principal Activities

The principal activities of the Group are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management.

Results for the Year

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

Dividends

The directors do not propose the payment of a dividend for the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

Directors Responsibilities

The directors are responsible for preparing the consolidated financial statements of the Group for the financial year ended 31 March 2019 which give a true and fair view of the state of affairs of the Group and the results of the Group for the financial year then ended. In preparing these consolidated 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 consolidated financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and to ensure that the consolidated financial statements comply with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Group 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 Group 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 27 September 2019
and signed on its behalf by

ROBERT MAYE

PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

Opinion

We have audited the consolidated financial statements of Navig8 Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 March 2019, and its consolidated financial performance and its consolidated cash flows for the year 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated 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 consolidated 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 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

(cont'd)

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 consolidated 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 Group's internal control.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

(cont'd)

Auditor's Responsibilities 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 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 consolidated 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
27 September 2019

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
Revenue	5	3,150,250	2,682,502
Operating expenses	6	(3,044,946)	(2,569,630)
Net impairment loss on trade receivables	6	(2,758)	(5,055)
Profit from operations		102,546	107,817
Other income	7	1,261	2,019
Other expenses	8	(1,386)	(1,076)
Administrative expenses	9	(66,080)	(63,502)
Finance income	10	59	66
Finance costs	11	(21,940)	(12,891)
Share of losses in associates	17	(4,136)	(3,910)
Share of profits in a joint venture	18	452	445
		10,776	28,968
Exceptional item			
Net gain/(loss) on disposal of financial assets	16	2,327	(12,123)
Gain on disposal of unquoted preference shares		-	1,016
Profit before income tax		13,103	17,861
Income tax expense	12	(2,230)	(4,266)
Net profit for the year		10,873	13,595
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Fair value gain recognised on financial assets at fair value through other comprehensive income	16	1,459	-
Items that may be reclassified subsequently to profit or loss			
Fair value loss recognised on financial assets, available for sale	16	-	(11,112)
Reversal of fair value gains from equity on disposal of financial assets		-	(11,367)
		-	(22,479)
Other comprehensive income/(loss)		1,459	(22,479)
Total comprehensive income/(loss) for the financial year		12,332	(8,884)
Net profit for the year attributable to:			
Owners of the Group		7,554	9,020
Non-controlling interests	24	3,319	4,575
		10,873	13,595
Total comprehensive income/(loss) attributable to:			
Owners of the Group		9,013	(13,459)
Non-controlling interests	24	3,319	4,575
		12,332	(8,884)

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Goodwill	13	9,168	9,168
Vessels	14	460,433	184,470
Other fixed assets	15	3,474	2,492
Financial assets	16	8,175	31,042
Interests in associates	17	104,892	118,184
Interest in a joint venture	18	3,973	3,821
		590,115	349,177
Current Assets			
Inventories	19	25,991	16,423
Trade and other receivables and prepayments	20	320,934	311,326
Accrued receivables	20	85,316	-
Cash and bank balances	21	75,553	73,097
		507,794	400,846
Total Assets		1,097,909	750,023
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	22	86,087	86,237
Reserves	23	88,172	79,369
Total equity attributable to the owners of the Group		174,259	165,606
Non-controlling interests	24	9,233	8,419
		183,492	174,025
Non-Current Liabilities			
Bank loans	25	1,689	7,422
Other borrowings	26	346,972	158,746
		348,661	166,168
Current Liabilities			
Bank loans	25	5,733	15,043
Other borrowings	26	49,395	9,111
Short-term borrowings	27	112,698	94,485
Trade and other payables	28	395,430	287,257
Income tax liabilities		2,500	3,934
		565,756	409,830
Total Liabilities		914,417	575,998
Total Equity and Liabilities		1,097,909	750,023

Director **Director**

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Attributable to equity owners of the Group					
	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total attributable to owners of the Group US$'000	Non-controlling Interests US$'000	Total Equity US$'000
Balance at 31 March 2018	86,237	(6,566)	85,935	165,606	8,419	174,025
Net profit for the year	-	-	7,554	7,554	3,319	10,873
Other comprehensive income	-	1,459	-	1,459	-	1,459
Total comprehensive income for the financial year	-	1,459	7,554	9,013	3,319	12,332
Dividends paid to non-controlling interest (Note 24)	-	-	-	-	(2,729)	(2,729)
Effect of dilution of interest in subsidiaries (Note 4(A))	-	150	(183)	(33)	196	163
Buy back of shares (Note 22)	(150)	-	(177)	(327)	-	(327)
Exercise of share options	-	-	-	-	28	28
Balance at 31 March 2019	86,087	(4,957)	93,129	174,259	9,233	183,492

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont'd)

	Attributable to equity owners of the Group					
	Share Capital US$'000	Other Reserves US$'000	Retained Earnings US$'000	Total attributable to owners of the Group US$'000	Non-controlling Interests US$'000	Total Equity US$'000
Balance at 31 March 2017	86,237	16,411	76,915	179,563	8,419	187,982
Net profit for the year	-	-	9,020	9,020	4,575	13,595
Other comprehensive loss	-	(22,479)	-	(22,479)	-	(22,479)
Total comprehensive income for the financial year	-	(22,479)	9,020	(13,459)	4,575	(8,884)
Dividends paid to non-controlling interest (Note 24)	-	-	-	-	(3,418)	(3,418)
Acquisition of additional interests in a subsidiary (Note 4(A))	-	(498)	-	(498)	(1,186)	(1,684)
Exercise of share options	-	-	-	-	29	29
Balance at 31 March 2018	86,237	(6,566)	85,935	165,606	8,419	174,025

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$'000	2018 US$'000
Cash Flows from Operating Activities		
Profit before income tax and exceptional item	10,776	28,968
Adjustments for:		
Depreciation of vessels, pre-delivery costs, other fixed assets and amortisation of dry-docking costs	8,793	5,187
Interest expense	21,520	12,447
Interest income	(59)	(66)
Impairment loss on trade receivables	4,426	11,131
Write back of impairment loss on trade receivables	(1,668)	(6,076)
Bad debts written off	717	273
Share of losses in associates	4,136	3,910
Share of profits in a joint venture	(452)	(445)
Loss on disposal of financial assets	522	193
Other fixed assets written off	92	13
Unrealised foreign exchange loss/(gain)	15	(197)
Write-back of financial liabilities at fair value through profit and loss	-	(649)
Dividends received from financial assets	(137)	(118)
Net loss on step acquisition of a former associate to a subsidiary	102	-
Loss on dissolution of an associate	31	-
Gain on disposal of other fixed assets	(2)	-
Operating cash flows before working capital changes	48,812	54,571
Changes in working capital:		
Inventories	(9,568)	(5,184)
Trade and other receivables and prepayments	(97,039)	(28,641)
Trade and other payables	106,349	21,436
Cash generated from operations	48,554	42,182
Income tax paid	(3,664)	(3,684)
Interest received	59	66
Interest paid	(21,520)	(12,447)
Net cash generated from operating activities	23,429	26,117
Cash Flows from Investing Activities		
Payments for vessel and drydocking costs	(255,980)	(105,156)
Purchase of other fixed assets	(2,740)	(1,762)
Proceeds from disposal of financial assets	26,131	2,504
Proceeds from preference shares redemption on financial assets	-	4,198
Dividends received from associates and a joint venture	1,244	1,332
Dividends received from financial assets	137	118
Additional investment in associates	(500)	(6)
Net cash inflow from step acquisition of a former associate to a subsidiary	82	-
Proceeds from disposal of other fixed assets	2	-
Loan to associates	(1,350)	-
Net cash used in investing activities	(232,974)	(98,772)

NAVIG8 LIMITED
(Domiciled in Bermuda)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont'd)

	2019 US$'000	2018 US$'000
Cash Flows from Financing Activities		
Dividends paid to non-controlling interest	(2,729)	(3,418)
Acquisition of additional interest in a subsidiary	-	(1,684)
Deposit pledged with financial institutions	(602)	(31)
Proceeds from exercise of share options	28	29
Proceeds from bank loans and other borrowings	231,953	98,189
Proceeds from short-term borrowing	18,213	35,379
Payment of bank loans and other borrowings	(35,486)	(29,687)
Payment of obligations under finance lease	-	(5,637)
Repayment of loan from associate	-	3,000
Payment for buy-back of shares	(327)	-
Government grants received	364	-
Payment of share in pool management revenue	-	(468)
Net cash generated from financing activities	211,414	95,672
Net increase in cash and bank balances	1,869	23,017
Cash and bank balances at the beginning of the financial year	72,309	49,095
Effects of currency translation on cash and bank balances	(15)	197
Cash and bank balances at the end of the financial year (Note 21)	74,163	72,309

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

	Balance at 1 April US$'000	Cash flows Proceeds US$'000	Repayments US$'000	Non-cash changes US$'000	Balance at 31 March US$'000
2019					
Bank loans and other borrowings (Note 25 and 26)	190,322	231,953	(35,486)	17,000	403,789
Short-term borrowings (Note 27)	94,485	18,213	-	-	112,698
2018					
Bank loans and other borrowings (Note 25 and 26)	121,820	98,189	(29,687)	-	190,322
Finance lease obligations	5,637	-	(5,637)	-	-
Short-term borrowings (Note 27)	59,106	35,379	-	-	94,485
Financial liabilities at fair value through profit or loss	1,117	-	(468)	(649)	-

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

1 General

Navig8 Limited (the "Company") is a private limited company domiciled in Bermuda. The address of its registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda.

The Company is principally an investment holding company. The principal activities of the Company, its subsidiaries and joint venture (collectively, the "Group") are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading, technical management and risk management. Details of principal activities, countries of incorporation and extent of the Company's equity interest in subsidiaries are set out in Note 4 to the consolidated financial statements.

The Company has appointed its subsidiary, Navig8 Asia Pte. Ltd., to act as the commercial manager for its principal shipping-related activities. Navig8 Asia Pte. Ltd.'s registered office and principal place of business is 5 Shenton Way, #20-04 UIC Building, Singapore 068808.

The Group has no controlling party.

The board of directors has authorised the issue of the consolidated financial statements on the date of the Report of the Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements which are expressed in United States dollar, have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the consolidated financial statements.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

For the financial year ended 31 March 2019, the Group has adopted the following new and revised IFRS which are relevant to the Group and mandatory for application:

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new expected credit loss model and a new general hedge accounting model. The Group adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Group retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at fair value through other comprehensive income (FVOCI); and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVPL).

- If a debt instrument has low credit risk at 1 April 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Group's accounting policies for financial liabilities.

Details of their impact on the Group's consolidated financial statements as well as the new requirements are described below.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets

Under IFRS 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (equity instrument) or FVPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories.

The adoption of IFRS 9 did not have a significant effect on the Group's accounting policy for financial assets and liabilities except that:

(a) Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified as amortised cost. There are no changes to the carrying amount of these financial assets.

(b) Financial assets that were classified as available-for-sale under IAS 39 are now classified as FVOCI and FVPL. Additional information about the transition impact is disclosed in Note 16 to the consolidated financial statements.

There were no material adjustments to the Group's consolidated statement of cash flows arising from the initial application of IFRS 9.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and intra group financial guarantee contracts, but not to equity investments.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

ii) Impairment of financial assets (cont'd)

The Group has applied the simplified impairment approach to recognise only lifetime expected credit loss impairment charges on all trade receivables, as well as the general approach to recognise expected credit loss impairment charges on non-trade receivables. For debt instruments with low credit risk as at 1 April 2018, the Group adopted the exemption in IFRS 9 to assess these low credit risk instruments based on 12-month expected credit loss. Based on the assessment made, the Group has assessed that the application of IFRS 9 impairment requirements at 1 April 2018 did not have a significant impact on the financial performance and financial position of the Group. Additional information about how the Group measures the allowance for impairment is described in Note 30 to the consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group adopted IFRS 15 in its consolidated financial statements using the modified retrospective application approach. The adoption of IFRS 15 did not have a significant impact on the financial performance or financial position of the Group, except for contract assets (accrued receivables), which are presented separately in the statement of financial position. Additional information is disclosed in Note 2(c), Note 5 and Note 20 to the consolidated financial statements.

New and Revised IFRS Issued But Not Yet Effective

As at the date of authorisation of these consolidated financial statements, the Group has not adopted the following standards that have been issued and which are relevant to the Group, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for accounting periods beginning on or after 1 January 2019.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

IFRS 16 *Leases* (cont'd)

The Group plans to adopt IFRS 16 on 1 April 2019 based on a permitted transition 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 Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 April 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 March 2019. The Group also plans to adopt an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

As disclosed in Note 31, the Group has entered into various operating lease arrangements as lessee. As at 31 March 2019, the minimum lease payments committed under non-cancellable operating leases amounted to US$46 million. As at 1 April 2019, the Group expects an increase in right-of-use assets of approximately US$7.4 million, an increase in lease liabilities of US$7.4 million as of 1 April 2019. The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures*

The amendments clarify that IFRS 9 *Financial Instruments*, including its impairment requirements, applies to long-term interests in an associate or joint venture to which the equity method is not applied but, in substance, form part of the net investment in associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised IFRS issued but not yet effective (cont'd)

Amendments to IFRIC 23 *Uncertainty over Income Tax Treatments*

The interpretation clarifies that in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity first determines whether to consider each uncertain tax treatment separately or together as a Group. An entity should determine the accounting tax position, on the assumption that a taxation authority has the right to examine the amounts reported to them and has full knowledge of all relevant information. IFRIC 23 provides the following guidance on determining an entity's accounting tax positions:

i. If it is probable that taxation authority will accept the uncertain tax treatment, the entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with tax treatment used or planned to be used in the entity's income tax filings.
ii. If it is not probable, an entity should estimate the effect of uncertainty in determining the related accounting tax position, using either the most likely amount or expected value method, depending on which method better predicts the resolution of uncertainty.

The interpretation is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 12 *Income Taxes*

This amendment requires an entity to recognise the income tax consequences of dividends paid in profit or loss, other comprehensive income, or equity, according to where the entity originally recognised those past transactions or events. The tax consequences should be recognised when the liability to pay the dividend is recognised. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

Improvements to IAS 23 *Borrowing Costs*

This amendment clarifies that after a qualifying asset is ready for its intended use or sale, any outstanding borrowings made specifically to obtain that qualifying asset should be included within the pool of general borrowings used to calculate capitalised borrowing costs. The standard is effective from 1 January 2019. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Group upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/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. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

Amendments to IFRS 3 *Definition of Business*

The amendments confirm that a business must include inputs and a process. The amendments also clarify that the process must be substantive, and the inputs and process must significantly contribute to creating outputs. The revised definition of a business focuses on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs. A new optional test is available to assess whether a business has been acquired, when the value assets acquired is concentrated in a single asset or group of similar assets. The standard is effective for annual periods beginning on or after 1 January 2020. Management is in the process of assessing the impact on the financial performance or financial position of the Group.

(b) Functional Currency and Foreign Currency Translation

Functional and presentation currency

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group are presented in United States dollar, which is also 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 balance sheet date are recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

Translation and balances (cont'd)

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.

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

i. assets and liabilities are translated at the closing rates at the reporting date;

ii. income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii. all resulting exchange differences are recognised in other comprehensive income, and accumulated in the currency translation reserve within equity. These currency translation differences are reclassified to profit or loss as disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve. Any currency translation differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

(c) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A contract asset (accrued receivables) is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Customer presents the contract as a contract liability (deferred income) when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 Significant Accounting Policies (cont'd)

(c) Revenue Recognition (cont'd)

Bunker trading income

Bunker trading income is recognised at a point in time when the ownership of the bunkers have been transferred to the customer.

Voyage charter freight income

Voyage charter freight income is recognised over time as the performance obligation is satisfied, based on the percentage of completion method calculated on a load-to-discharge basis over the voyage period. The Group capitalised such related costs as they were incremental and expected to be recovered. Full provision is made for any losses on voyages in progress at the reporting date.

Time and bareboat charter income

Time charter and bareboat charter income is recognised on a time-apportioned basis over the charter period. Provision is made for all charter-hire receivables on the reporting date in respect of time charter voyages in progress.

Commission income and administration fees

Commission income relates to the commercial and technical management services provided. Commission income is recognised on completion of the related voyage or charter period.

Sale and purchase commission income relates to the services provided for newbuilding vessels. It is recognised in line with the payment of instalments to shipyards.

Administration fees are recognised over time based on vessel trading days for vessels under management.

Pool revenue and expenses

Pool revenue is measured based on a time charter equivalent basis based on voyage returns adjusted for off-hire days and pool score allocated to each vessel on entry into the Pools. Pool revenue and voyage expenses are recognised in accordance with the earnings allocated to the Group's vessels.

Management fees

Management fees are recognised over the service period.

2 Significant Accounting Policies (cont'd)

(c) Revenue Recognition (cont'd)

Gain from derivatives trading

Gain from derivatives trading comprises all fair value gains or losses resulting from financial derivatives contracts and securities trading. All open contracts and securities are marked to market based on settlement prices.

Interest income

Interest income is recognised on an accrued basis using the effective interest method.

(d) Employee Benefits

Short-term benefits

All short-term employee benefits including accumulating compensated absences are recognised in profit or loss in the period in which the employees rendered their services to the Group.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current period. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

Employee leave entitlement

Employees' entitlement to annual leave is recognised when accrued. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(e) Interest Expense

Interest expense is recognised in profit or loss using the effective interest method except for those costs that are directly attributable to bank loans acquired specifically for the acquisition or construction of qualifying assets. The actual borrowing cost incurred for such qualifying assets during the relevant period are capitalised in the cost of the qualifying assets.

(f) Income Taxes

Tax expense comprises income tax and deferred tax.

2 Significant Accounting Policies (cont'd)

(f) Income Taxes (cont'd)

Income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax is calculated at the tax rates that are expected to apply in the year in which the liability is settled or the asset utilised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unutilised allowances and losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

(g) Subsidiaries

Consolidation

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

Subsidiaries are entities (including structured entities) over which the Group have control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the subsidiaries financial statements to ensure consistency of accounting policies with that of the Group.

2 Significant Accounting Policies (cont'd)

(g) Subsidiaries (cont'd)

Acquisition of business

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest and fair value of the previous equity interest measured is less than the fair value of the net identifiable assets of the acquiree in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(h) Non-Controlling Interest

Non-controlling interest represents equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. These are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(i) Inventories

Inventories comprising bunkers on board vessels are stated at lower of cost or net realisable value. The cost is determined using the first-in, first-out basis. The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Investments in Associates and Joint Venture

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisitions

Investments in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint venture represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Negative goodwill (i.e. excess of the Group's share of the net fair value of the associate or joint venture's identifiable assets and liabilities over the cost of the investment) is included as income as part of the entity's share of the associate of joint venture's profit or loss in the period in which the investment is acquired.

Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies and joint venture's post acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies and joint venture are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits are equal to the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies and joint venture are eliminated to the extent of the Group's interest in the associated companies and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies and joint venture have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Disposals

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2 Significant Accounting Policies (cont'd)

(j) Investments in Associates and Joint Venture (cont'd)

Disposals (cont'd)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

(k) Joint Operations

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any asset held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

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

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2 Significant Accounting Policies (cont'd)

(l) Goodwill

Goodwill represents the excess of the cost of investments in subsidiaries over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

Goodwill arising from the acquisition of subsidiaries is recognised separately as an intangible asset and carried at cost less accumulated impairment losses.

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less costs of disposal and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

(m) Vessels

Vessels are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost includes the acquisition cost, pre-delivery costs and any directly attributable costs of bringing the vessels to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the vessel only when it is probable that future economic benefits associated with the costs will flow to the Group and the cost can be measured reliably. All other routine repair and maintenance expenses are recognised in profit or loss when incurred.

Vessels under construction are stated at cost, less any recognised impairment loss in accordance with the installment payments agreed upon.

On disposal of a vessel, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(m) Vessels (cont'd)

Depreciation is provided on a straight-line basis on carrying amounts less residual values, over the estimated useful life of 25 years, in accordance with common industry practice.

Residual values are based on lightweight tonnage and the market price for scrap steel paid on demolition of tankers as at the balance sheet date. The residual values and useful lives are reviewed and adjusted as appropriate, at each balance sheet date.

(n) Drydocking and Special Survey Costs

Drydocking and special survey costs are capitalised and depreciated on a straight-line basis over the estimated period (generally between 3 to 5 years) to the next drydocking.

(o) Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses if any.

The cost of the assets comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of other fixed assets, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Other fixed assets are depreciated over the following periods on a straight line basis less any recognised impairment loss:

	Useful lives
Office equipment	5 years
Furniture and fittings	3-5 years
Computer equipment	3 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of other fixed assets are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2 Significant Accounting Policies (cont'd)

(p) Impairment of Non-Financial Assets, excluding Goodwill

At each balance sheet date, the Group reviews the carrying amount of its tangible assets to determine whether there is any objective evidence or indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is the higher of fair value less costs of disposal and value in use and is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying value, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(q) Financial Assets (accounting policies applicable from 1 April 2018)

<u>Classification and Measurement</u>

The Group classifies its financial assets in the following measurement categories:
- Amortised costs;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

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

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

Initial Recognition

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

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Classification and Measurement (cont'd)

Initial Recognition (cont'd)

Trade receivables are measured at the amount of consideration to which the Group expected to be entitled in exchange for transferring promised goods or services to a customer excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

i. Debt instruments

The subsequent measurement categories depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

For debt instruments measured at amortised cost, these 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.

For debt instruments measured at fair value through profit or loss, the movement in fair values and interest income that is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as fair value through profit or loss with movements in their fair values recognised in profit or loss, except where the Group has elected to classify the investments at fair value through other comprehensive income. Dividends from equity investments are recognised in profit or loss. On disposals, the cumulative gain or loss of the investments will be transferred directly to retained earnings.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets measured at amortised costs and intra-group financial guarantee contracts.

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Impairment (cont'd)

Loss allowances of the Group 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.

Simplified approach - Trade receivables

The Group applies the simplified approach to provide expected credit losses for all trade receivables as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach - Other financial instruments and financial guarantee contracts

The Group applies the general approach to provide for expected credit losses on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month expected credit losses at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime expected credit losses. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. 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 losses.

2 Significant Accounting Policies (cont'd)

(q) Financial Assets (accounting policies applicable from 1 April 2018) (cont'd)

Impairment (cont'd)

General approach - Other financial instruments and financial guarantee contracts (cont'd)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group assesses whether financial assets carried at amortised cost are credit-impaired. The evidence includes the observable data about the significant financial difficulty of the borrower and default or past due event.

Measurement of expected credit losses

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 Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Write-off policy

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

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset measured at amortised cost, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amoung previously recognised in other comprehensive income relating to that asset.

2 Significant Accounting Policies (cont'd)

(r) Financial Assets (accounting policies are applicable until 31 March 2018)

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

o *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" at the balance sheet date.

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Trade receivables that are factored to banks with recourse to the Group are not derecognised. The corresponding cash received from the banks is recorded as short-term borrowings.

Cash and cash equivalents comprise cash on hand and short term bank deposits which are subject to an insignificant risk of changes in value.

o *Financial assets, available-for-sale*

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 Significant Accounting Policies (cont'd)

(r) Financial Assets (accounting policies are applicable until 31 March 2018) (cont'd)

Classification (cont'd)

o *Financial assets, available-for-sale (cont'd)*

Interest and dividend income on financial assets, available-for-sale, are recognised separately in income. Changes in the fair value available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve within equity. Changes in the fair value of available-for-sale equity securities (i.e. non-monetary assets) are recognised in the fair value reserve within equity, together with the related currency translation differences.

Financial assets, available-for-sale that do not have a quoted market active price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses subsequent to initial recognition. If the range of reasonable fair value measurements is significant and the probability of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

o *Loans and receivables*

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance for impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in profit or loss.

o *Financial assets, available-for-sale*

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the investment is impaired.

2 Significant Accounting Policies (cont'd)

(r) Financial Assets (accounting policies are applicable until 31 March 2018) (cont'd)

Impairment (cont'd)

- *Financial assets, available-for-sale (cont'd)*

The cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(s) Cash and Bank Balances

Cash and bank balances comprise cash on hand, short-term bank deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and bank balances are shown net of restricted bank deposits.

(t) 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.

Preference shares are classified as equity as they are non-redeemable or redeemable only at the Company's option, and any dividends are discretionary.

The Company's own ordinary and preference shares, which were re-acquired by the Company were cancelled and the amount equivalent to their nominal value was shown as a movement in share capital. The premium paid on the shares repurchased and cancelled was charged against retained earnings. No gain or loss is recognised in profit or loss on the cancellation of shares.

2 Significant Accounting Policies (cont'd)

(u) Financial Liabilities

Classification

The Group classifies its financial liabilities either as financial liabilities at fair value through profit or loss or as other financial liabilities (for Trade and Other Payables, Bank Loans, Short-term and Other Borrowings and Finance Lease Obligations). The classification depends on the substance of the contractual arrangements entered into and the definition of a financial liability. Financial liabilities are recognised initially at fair value plus, in the case of a financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL are initially measured at fair value and subsequently stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner prescribed in Note 30 to the consolidated financial statement.

A financial liability other than a financial liability held for trading may be designated as at FVPL upon initial recognition if:

(i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

(ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

(iii) it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the hybrid contract (asset or liability) to be designated as at FVPL.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

2 Significant Accounting Policies (cont'd)

(u) Financial Liabilities (cont'd)

Other financial liabilities (cont'd)

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the tenure of the loans using the effective interest method.

Short-term and other borrowings

Short-term and other borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost.

(v) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.
Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.
Government grants relating to assets are deducted against the carrying amount of the assets.

(w) Lease Payments

Leases, Group as lessee

Finance lease

Property, plant and equipment leases in which a significant portion of the risks and rewards of ownership are transferred by the lessor to the Group are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

The corresponding rental obligations, net of finance charges, are included in other current and non-current liabilities. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 Significant Accounting Policies (cont'd)

(w) Lease Payments (cont'd)

Leases, Group as lessee (cont'd)

Finance lease (cont'd)

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income by a seller-lessee. Instead, it shall be deferred and amortised over the lease term. If the leaseback is an operating lease, and the lease payments and the sale price are at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately.

IFRS 9 is applied for the collateralized financial liabilities that are resulted from sale and leaseback transactions that do not contain a lease in substance. The liability is amortised at cost, each lease payment is allocated between the liability and finance charges according to the effective interest method.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Rental income from operating lease contracts, where the Group acts as the lessor, are recorded in other operating income on a straight line basis over the period of the lease.

Arrangements' containing a lease agreement

At inception of an arrangement, the Group determines whether such an arrangement is or contain a lease. In order to determine if the arrangement includes a finance lease component or other lease agreement the criteria in IFRIC 4 'Determining whether an Arrangement contains a Lease' is used. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether:

(a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
(b) the arrangement conveys a right to use the asset.

If the arrangement includes a lease, IAS 17 is applied to determine whether it is an operating or financial lease as described above. Other elements of the arrangement are recognised according to the relevant standards.

Operating Leases - Where the Group is the lessor

Income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2 Significant Accounting Policies (cont'd)

(x) Preference Share Dividends

Preference share dividends are recognised as a liability when declared at the Annual General Meeting by the Company's shareholders.

(y) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the key management whose members are responsible for allocating resources and assessing performance of the operating segments.

(za) Fair Value Estimation of Financial Assets and Liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

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

2 Significant Accounting Policies (cont'd)

(zb) 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.

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 venture 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 consolidated financial statements. They affect the application of the Group'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.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

Determining whether goodwill is impaired required an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of the Group's goodwill as of 31 March 2019 amounted to US$9.2 million (2018: US$9.2 million). Further details are given in Note 13 to the consolidated financial statements. If the estimated future cash flows for the cash generating unit related to the goodwill are reduced by 10% compared to management's estimates, the net present value remains above the current book value and there would be no impact on the Group's results for the financial years ended 31 March 2019 and 2018.

(ii) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the asset is estimated to determine the impairment loss. In making this judgment, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In determining the fair value less costs of disposal, the Group has obtained valuation reports from third party source. The valuation of the vessels was prepared assuming a sale between a willing seller and a willing buyer on a charter-free basis.

The carrying amount of the Group's vessels as of 31 March 2019 amounted to US$460.4 million (2018: US$184.5 million). No impairment loss has been recognised for the financial years ended 31 March 2019 and 2018. Further details are given in Note 14 to the consolidated financial statements. For the value in use calculations, if the estimated revenue from future cash flows for the Group's vessels are reduced by 10% compared to management's estimates, there would be no impact on the Group's results for the financial years ended 31 March 2019 and 2018.

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

(a) Key Sources of Estimation Uncertainty (cont'd)

(ii) Impairment of non-financial assets (cont'd)

The carrying amount of the Group's interest in associates and joint venture as of 31 March 2019 amounted to US$104.9 million (2018: US$118.2 million) and US$4.0 million (2018: US$3.8 million) respectively. No impairment loss has been recognised for the financial years ended 31 March 2019 and 2018. Further details are given in Notes 17 and 18 to the consolidated financial statements.

(iii) Useful lives of vessels and other fixed assets and residual value of vessels

The Group determines the estimated useful lives and related depreciation charges for its vessels and other fixed assets. This estimate is based on the historical experience of the actual useful lives of vessels and other fixed assets of a similar nature and function. Changes in the remaining useful life of the vessel and other fixed assets and residual value, determined based on year end scrap rates, technical innovations and competitor actions, would result in an adjustment to the current and future rate of depreciation through profit or loss. Management will increase the depreciation charge where useful lives are less than previously estimated. Management will write-off or write-down technically obsolete assets. The carrying amount of the Group's vessels and other fixed assets as at 31 March 2019 was US$463.9 million (2018: US$187.0 million). Further details are given in Notes 14 and 15 to the consolidated financial statements.

If depreciation on the vessels and other fixed assets is increased by 10% from management's estimates, the Group's results for the financial year ended 31 March 2019 will decrease by US$0.9 million (2018: US$0.5 million).

(b) Critical Judgments in applying Accounting Policies

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

(i) Loss allowance for receivables (including accrued receivables)

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(q). This assessment is based on the credit history of its customers and other debtors and current market conditions. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

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

(b) Critical Judgments in applying Accounting Policies (cont'd)

(i) Loss allowance for receivables (including accrued receivables) (cont'd)

The carrying amount of the Group's total trade and other receivables and accrued receivables at 31 March 2019 amounted to US$402.3 million (2018: US$305.1 million) respectively. The information about the expected credit losses on the Group's trade and other receivables and accrued receivables is disclosed in Notes 20 and 30 to the consolidated financial statements.

During the financial year ended 31 March 2019, the Group provided an impairment loss on trade receivables of US$4.4 million (2018: US$11.1 million) and write-back of impairment loss of US$1.7 million (2018: US$6.1 million).

(ii) Leases

In making an evaluation, judgment is used in determining lease classification in accordance with Note 2(w) to the consolidated financial statements.

During the financial year ended 31 March 2019, the Group entered into contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Management has applied its judgment and applied IFRIC 4 "Determining whether an Arrangement contains a Lease". Management has assessed that the agreements entered into between the Group and third parties do not qualify for sale-leaseback accounting, either as a result of a purchase obligation or as a result of a purchase option which constitutes a form of continuing involvement by the Group in the vessel. In the case of the purchase options, the Group has applied its judgment and determined that the exercise of purchase options is "almost certain" and treated the lease as a financing arrangement. Further details are set out in Notes 14 and 26 to the consolidated financial statements.

(iii) Contingencies

The Group is involved from time to time in the course of its business in disputes resulting from its operating activities, which may or may not result in legal action being taken by or against the Group.

Based on consultations with its legal counsel, management considers the likely outcome of the disputes in which it is currently involved, and has concluded it will not have a material impact on the Group's consolidated financial statements.

4 Organisation and Trading Activities

The Group's operations were carried out during the financial year through main offices in Singapore, the United Kingdom, United States of America, India, China, United Arab Emirates ("UAE"), Greece, Germany, Norway and Japan.

(A) Subsidiaries

The principal subsidiaries are as follows:

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(i) Investment holding				
Apollo Shipping Inc	Marshall Islands	100	100	(e)
Crew Management Pte Ltd	Singapore	100	100	(b)
Navig8 Asset Co Investments Inc	Marshall Islands	100	100	(e)
Navig8 Asset Holdings Inc	Marshall Islands	100	100	(e)
Navig8 Asset Management Holdings Inc	Marshall Islands	100	100	(e)
Navig8 Chemical Tanker Holdings Inc	Marshall Islands	100	100	(e)
Navig8 Group Holdings Inc	Marshall Islands	100	100	(e)
Navig8 Pool Holdings Inc	Marshall Islands	100	100	(e)
Navig8 Commercial Services Ltd	Marshall Islands	100	100	(e)
Navig8 Technical Management Holding Inc	Marshall Islands	100	100	(e)
Navig8 Topco Holdings Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation Ltd	Marshall Islands	100	100	(e)
VL8 Holdings Inc	Marshall Islands	-	100	(e), (h)
Integr8 Fuels Holding Inc	Marshall Islands	85.4	85.8	(e)
Navig8 Offshore Inc	Marshall Islands	84	80	(e), (i)
Navig8 Bulk Ltd	Jersey	-	77.5	(e), (h)
Navig8 Chemicals Services Ltd	Marshall Islands	65	65	(e)
(ii) Ship chartering				
Navig8 Faith Corporation	Marshall Islands	100	100	(e)
Navig8 Fidelity Corporation	Marshall Islands	100	100	(e)
Navig8 Inc	Marshall Islands	100	100	(e)
Navig8 Pte Ltd	Singapore	100	100	(b)
Navig8 Stealth Corporation	Marshall Islands	100	100	(e)
Navig8 Stealth II Corporation	Marshall Islands	100	100	(e)
Navig8 Strength Corporation	Marshall Islands	100	100	(e)
Navig8 Success Corporation	Marshall Islands	100	100	(e)
Navig8 Bulk Pool Inc	Marshall Islands	100	100	(a), (f)
Navig8 Chemicals Pool Inc	Marshall Islands	100	100	(a), (f)
Navig8 Pool Inc	Marshall Islands	100	100	(a), (f)
RK8 Offshore Pool Inc	Marshall Islands	100	100	(a), (f)
V8 Pool Inc	Marshall Islands	100	100	(a), (f)
VL8 Pool Inc	Marshall Islands	100	100	(a), (f)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(iii) Ship owning				
Apollo Shipping 1 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 2 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 3 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 4 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 5 Inc Corporation	Marshall Islands	100	-	(e), (g)
Apollo Shipping 6 Inc Corporation	Marshall Islands	100	-	(e), (g)
Apollo Shipping 7 Inc Corporation	Marshall Islands	100	-	(e), (g)
Apollo Shipping 8 Inc Corporation	Marshall Islands	100	-	(e), (g)
Straits Shipping 2 Corporation	Marshall Islands	100	100	(e)
Navig8 Constellation Corporation	Marshall Islands	100	100	(e)
Navig8 Universe Corporation	Marshall Islands	100	100	(e)
Pythagoras Corporation 1 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 2 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 3 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 4 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 5 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 6 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 7 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 8 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 9 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 10 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 11 Inc	Marshall Islands	100	-	(e), (g)
Pythagoras Corporation 12 Inc	Marshall Islands	100	-	(e), (g)
Herakleitos 3050 LLC	Marshall Islands	100	-	(e), (j)
(iv) Brokerage and Commercial management				
Navig8 America LLC	USA	100	100	(d)
Navig8 Asia Pte Ltd	Singapore	100	100	(b)
Navig8 DMCC	Dubai	100	100	(c)
Navig8 Europe Ltd	United Kingdom	100	100	(d)
Navig8 Greece Inc	Marshall Islands	100	100	(d)
Navig8 India Private Limited	India	100	100	(c)
VL8 Management Inc	Marshall Islands	100	100	(e)
Navig8 Bulk Asia Pte Ltd	Singapore	100	77.5	(b), (l)
Navig8 Bulk Europe Ltd	United Kingdom	100	77.5	(d), (l)
Navig8 Chemicals America LLC	USA	65	65	(d)
Navig8 Chemicals Asia Pte Ltd	Singapore	65	65	(b)
Navig8 Chemicals DMCC	Dubai	65	65	(c)
Navig8 Chemicals Europe Ltd	United Kingdom	65	65	(d)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

	Country of Incorporation	Percentage of Holding 2019 %	2018 %	
(iv) Brokerage and Commercial management (cont'd)				
RK8 Offshore Africa Holdings Ltd	Marshall Islands	84	80	(e), (i)
RK8 Offshore Pte Ltd	Singapore	84	80	(b), (i)
(v) Risk management				
Navig8 Risk Management Pte Ltd	Singapore	100	100	(b)
(vi) Technical management				
Suntech Ship Management Pte Ltd (formerly known as Navig8 Ship Management Pte Ltd)	Singapore	100	100	(b)
Navig8 Ship Management Services Private Limited	India	100	100	(c)
RK8 Offshore Ship Management Pte Ltd	Singapore	84	80	(b), (i)
(vii) Bunker trading				
Integr8 Fuels Inc	Marshall Islands	85.4	85.8	(e), (k)
(viii) Bunker brokerage				
Integr8 Fuels America LLC	USA	85.4	85.8	(d), (k)
Integr8 Fuels Asia Pte Ltd	Singapore	85.4	85.8	(b), (k)
Integr8 Fuels DMCC	Dubai	85.4	85.8	(c), (k)
Integr8 Fuels Europe Ltd	United Kingdom	85.4	85.8	(d), (k)
Integr8 Fuels Germany GmbH	Germany	85.4	85.8	(d), (k)
Integr8 Fuels Greece S.A.	Greece	85.4	85.8	(d), (k)
Integr8 Fuels India Private Limited	India	85.4	85.8	(c), (k)
Integr8 Fuels Japan KK	Japan	85.4	85.8	(c), (k)
Integr8 Fuels Oslo AS	Norway	85.4	85.8	(d), (k)
Integr8 Turkey Akaryakit Tic.Ltd.	Turkey	85.4	85.8	(e), (k)
Integrate Fuels LLC	Dubai	85.4	-	(c), (g), (k)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

The principal subsidiaries are as follows: (cont'd)

(a) The activities of the Pool companies are regarded as jointly-controlled operations. The assets and liabilities attributable to the Group's vessels operating in the jointly-controlled operations are consolidated in the Group's financial statements.

(b) Audited by Moore Stephens LLP, Singapore.

(c) Audited by a member firm of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.

(d) Audited by BDO LLP (London).

(e) Subsidiary companies which are not required to be audited by the law in their country of incorporation. However, the financial statements were audited in accordance with IFRS for consolidation purposes by Moore Stephens LLP, Singapore.

(f) Audited by PricewaterhouseCoopers, Singapore.

(g) Newly incorporated during the current financial year.

(h) Liquidated during the current financial year.

(i) During the current financial year, the Group acquired 4% interest from a non-controlling party and the Group's effective interest in Navig8 Offshore Inc increased from 80% to 84%.

(j) During the current financial year, the Group acquired the remaining 50% non-controlling interest in this entity. As a result of this step acquisition, the former associate company is now a wholly-owned subsidiary company of Navig8 Asset Holdings Inc.

(k) During the current financial year, 0.4% interest was issued to a non-controlling interest and the Group's share of interest was diluted from 85.8% to 85.4%.

(l) During the current financial year, the Group acquired the remaining 22.5% interest from a non-controlling party. As a result, these entities are now wholly-owned by Navig8 Commercial Services Limited.

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

Adjustment of interest in subsidiaries

During the financial year ended 31 March 2019, the Group's interest was diluted by the issuance and vesting of share options in Integr8 Group. The Group's effective interest in Integr8 Group was accordingly reduced from 85.8% to 85.4%. 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 Group's effective interest in Integr8 Group on the equity attributable to equity holders of the Company was as follows:

	2019 US$'000	2018 US$'000
Consideration received for adjustment of interest	28	-

Acquisition of additional interest in a subsidiary

During the previous financial year ended 31 March 2018, the Group acquired the remaining 42.5% of the issued shares of VL8 Holdings Inc, VL8 Pool Inc and VL8 Management Inc ("VL8 Group") for a purchase consideration of US$1.7 million. The Group now holds 100% of the equity share capital of VL8 Group. The Group derecognised non-controlling interests of US$1.2 million and recorded a decrease in equity attributable to owners of the parent of US$0.5 million. The effect of changes in the ownership interest of VL8 Group on the equity attributable to owners of the Group during the year is summarised as follows:

	2018 US$'000
Carrying amount of non-controlling interests acquired	1,186
Consideration paid to non-controlling interests	(1,684)
Net difference	(498)

Step acquisition of additional interest in a former associate company

During the financial year ended 31 March 2019, the Group acquired the remaining 50% of the issued shares of Herakleitos 3050 LLC, a former associate company. As at 31 March 2019, the Group holds 100% of the issued shares of Herakleitos 3050 LLC. Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	2019 US$'000
Cash paid as consideration	1,396

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

Step acquisition of additional interest in a former associate company (cont'd)

(b) Identifiable assets acquired and liabilities assumed

	At fair value US$'000
100% interest	
Cash and cash equivalents	1,478
Vessel	27,110
Trade and other receivables	1,561
Total assets	30,149
Trade and other payables	10,240
Bank loan	17,000
Total liabilities	27,240
Total identifiable net assets	2,909
Add/(Less): Net loss on step acquisition of a former associate to a subsidiary	102
Derecognition of existing cost of investment in associate (Note 17)	(1,615)
Consideration transferred for the acquisition of additional 50% interest	1,396
Less: Cash and cash equivalents acquired	(1,478)
Net cash inflow from step acquisition of a former associate to a subsidiary	(82)

(B) Jointly-controlled Operations

The principal jointly-controlled operations are as follows:

Name of Pool	Principal Activities	Country of incorporation
MR Pool	Commercial employment and operation of Pool vessels	Marshall Islands
LR8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Alpha8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands

4 Organisation and Trading Activities (cont'd)

(B) Jointly-controlled Operations (cont'd)

Name of Pool	Principal Activities	Country of incorporation
V8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Suez8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Stainless8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Brizo8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Chronos8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
VL8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands

The aggregate information of jointly-controlled operations that are not individually material are summarised as follows:

	2019 US$'000	2018 US$'000
Current assets	96,053	52,697
Current liabilities	96,053	52,697
The Group's share of net revenue from Pools	186,182	122,844

(C) Non-controlling Interest

The details of non-wholly owned subsidiaries of the Group that have a material non-controlling interest as at 31 March are as follows:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interest		Accumulated non-controlling interest	
	2019 %	2018 %	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Integr8 Fuels Inc	14.6	14.2	2,640	1,987	9,060	7,224
Navig8 Chemical Services Ltd and its subsidiaries	35	35	1,232	2,934	994	1,512

4 Organisation and Trading Activities (cont'd)

(C) Non-controlling Interest (cont'd)

The following table summarises the financial information in respect of the subsidiaries that had a material non-controlling interest. The summarised financial information represents amounts before intragroup eliminations.

	Navig8 Chemical Services Ltd and its subsidiaries		Integr8 Fuels Inc	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Summarised balance sheet				
Assets				
Current	10,094	15,785	343,208	297,072
Non-current	12	20	-	-
	10,106	15,805	343,208	297,072
Liabilities - current	(7,266)	(11,484)	(281,154)	(246,197)
Net assets	2,840	4,321	62,054	50,875
Attributable to owners of the Group	1,846	2,809	52,994	43,651
Non-controlling interest	994	1,512	9,060	7,224
Summarised Profit or loss				
Revenue	59,090	91,065	2,536,581	2,097,919
Expenses	(55,571)	(82,681)	(2,518,502)	(2,083,927)
Net profit for the year	3,519	8,384	18,079	13,992
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	3,519	8,384	18,079	13,992
Total comprehensive income attributable to owners of the Group	2,287	5,450	15,439	12,005
Total comprehensive income attributable to non-controlling interest of the Group	1,232	2,934	2,640	1,987
Cash flow				
Cash flow generated from operating activities	8,233	6,141	13,065	5,141
Cash flow (used in)/generated from investing activities	(333)	44	(15,882)	(14,650)
Cash flow (used in)/generated from financing activities	(10,449)	(3,159)	469	17,832

5 Revenue

Revenue of the Group consists of the following:

	2019 US$'000	2018 US$'000
Performance obligations satisfied at a point in time		
Bunker trading income	2,573,333	2,113,666
Commission income	51,356	62,686
	2,624,689	2,176,352
Eliminations	(159,594)	(98,201)
	2,465,095	2,078,151
Performance obligations satisfied over time		
Voyage charter freight income	629,742	489,299
Time and bareboat charter income	66,399	88,033
Administration fees	13,653	18,433
Management fees	23,368	27,868
	733,162	623,633
Eliminations	(48,007)	(19,282)
	685,155	604,351
	3,150,250	2,682,502

The revenue streams per each business segment are shown before elimination in line with the way the businesses are managed. The total revenue figure is stated after elimination of intercompany revenue.

6 Operating Expenses

	2019 US$'000	2018 US$'000
Bunkers	2,459,933	2,051,013
Hire expenses	512,270	451,092
Ports, canals and towage	32,503	33,740
Commission expenses	19,348	18,588
Running costs	12,140	10,153
Depreciation of vessels and pre-delivery costs (Note 14)	6,942	3,555
Bad debts written off	717	273
Amortisation of drydocking costs (Note 14)	185	592
Others	908	624
	3,044,946	2,569,630
Impairment loss on trade receivables	4,426	11,131
Write back of impairment loss on trade receivables	(1,668)	(6,076)
	2,758	5,055
	3,047,704	2,574,685

7 Other Income

	2019 US$'000	2018 US$'000
Realised gain on financial assets - net	242	-
Dividend income from financial assets	137	118
Gain on disposal of other fixed assets	2	-
Write back of financial liabilities at fair value through profit and loss	-	649
Foreign exchange gain - net	-	7
Other income	880	1,245
	1,261	2,019

8 Other Expenses

	2019 US$'000	2018 US$'000
Foreign exchange loss – net	635	-
Loss on disposal of financial assets	522	193
Net loss on step acquisition of a former associate to a subsidiary	102	-
Other fixed assets written off	92	10
Realised loss on financial assets - net	-	873
Other expenses	35	-
	1,386	1,076

9 Administrative Expenses

Administrative expenses include the following significant balances:

	2019 US$'000	2018 US$'000
Salaries and other staff costs:		
- Administrative staff salaries and bonus	42,828	40,830
- Employer's social security and pension contribution	3,467	3,404
- Staff welfare and other staff costs	3,433	3,658
Office rental and utilities	4,473	4,929
Consultancy and other professional fees	2,447	2,758
Depreciation of other fixed assets (Note 15)	1,666	1,040

10 Finance Income

	2019 US$'000	2018 US$'000
Interest income from bank balances	59	66

11 Finance Costs

	2019 US$'000	2018 US$'000
Interest expense	21,520	12,447
Bank charges	420	444
	21,940	12,891

12 Income Tax Expense

	2019 US$'000	2018 US$'000
Income tax expense attributable to profit is made up of:		
- current financial year	2,306	4,150
- (Over)/under provision in prior financial years	(76)	116
	2,230	4,266

Reconciliation between income tax expense and accounting profit at applicable tax rate:

	2019 US$'000	2018 US$'000
Profit before income tax and exceptional item	10,776	28,968
Income tax calculated at applicable tax rate	5,459	6,597
Recognition of previously unrecognised tax losses	(778)	(403)
Effects of deferred tax asset not recognised	93	-
Income exempt from tax or subject to lower tax incentive rate	(2,356)	(2,149)
Expenses (not taxable)/claimable for tax purposes	(112)	105
(Over)/under provision in prior financial years	(76)	116
Tax charge	2,230	4,266

Expenses not claimed for tax purposes relate to certain operating expenses of subsidiaries which are not deductible for tax purposes in the jurisdiction where these subsidiaries operate.

13 Goodwill

	2019 US$'000	2018 US$'000
Goodwill arising from the acquisition of subsidiaries:		
Cost		
At 1 April and 31 March	9,168	9,168
Accumulated impairment losses		
At 1 April and 31 March	-	-
Carrying amount at 31 March	9,168	9,168

Impairment of goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified as investments in each subsidiary for the purpose of impairment testing.

Goodwill was assessed for impairment in March 2019 and 2018. The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on the financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period to the fifth year were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operated.

The assumptions were used for the analysis of the CGU. Management determined budgeted revenue based on past performance and its expectations of the market development. The weighted average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment. No impairment loss was recognised for the financial years ended 31 March 2019 and 2018.

Key assumptions used for value-in-use calculations:

	2019 %	2018 %
Revenue growth rate[1]	10	10
Expense increase[1]	5	5
Discount rate[2]	6	6

[1] *Weighted average rate used to extrapolate cash flows beyond the budget period*
[2] *Pre-tax discount rate applied to the pre-tax cash flow projections*

14 Vessels

	Vessels	Vessels under construction	Drydocking Costs	Pre-delivery Costs	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2019					
Cost					
At 1 April 2018	86,202	104,799	6,578	4,304	201,883
Additions	106,480	142,496	1,753	5,251	255,980
Transfer of delivered vessels	70,176	(70,176)	-	-	-
Addition (Note 4(A))	27,000	-	110	-	27,110
At 31 March 2019	289,858	177,119	8,441	9,555	484,973
Accumulated depreciation					
At 1 April 2018	8,194	-	6,200	3,019	17,413
Charge for the financial year	6,834	-	185	108	7,127
At 31 March 2019	15,028	-	6,385	3,127	24,540
Net book value					
At 31 March 2019	274,830	177,119	2,056	6,428	460,433
2018					
Cost					
At 1 April 2017	86,202	-	6,491	4,034	96,727
Additions	-	104,799	87	270	105,156
At 31 March 2018	86,202	104,799	6,578	4,304	201,883
Accumulated depreciation					
At 1 April 2017	4,702	-	5,608	2,956	13,266
Charge for the financial year	3,492	-	592	63	4,147
At 31 March 2018	8,194	-	6,200	3,019	17,413
Net book value					
At 31 March 2018	78,008	104,799	378	1,285	184,470

15 Other Fixed Assets

	Office and Computer Equipment US$'000	Furniture and Fittings US$'000	Motor Vehicles US$'000	Total US$'000
2019				
Cost				
At 1 April 2018	5,295	6,515	111	11,921
Additions	1,962	778	-	2,740
Write off/Disposals	(12)	(1,704)	-	(1,716)
At 31 March 2019	7,245	5,589	111	12,945
Accumulated depreciation				
At 1 April 2018	4,687	4,631	111	9,429
Charge for the financial year	1,082	584	-	1,666
Write off/Disposals	(11)	(1,613)	-	(1,624)
At 31 March 2019	5,758	3,602	111	9,471
Net book value				
At 31 March 2019	1,487	1,987	-	3,474
2018				
Cost				
At 1 April 2017	5,104	4,974	111	10,189
Additions	221	1,541	-	1,762
Write off	(30)	-	-	(30)
At 31 March 2018	5,295	6,515	111	11,921
Accumulated depreciation				
At 1 April 2017	4,167	4,130	109	8,406
Charge for the financial year	537	501	2	1,040
Write off	(17)	-	-	(17)
At 31 March 2018	4,687	4,631	111	9,429
Net book value				
At 31 March 2018	608	1,884	-	2,492

During the financial year ended 31 March 2019, the Group received capital grants amounting to US$364,000 for the acquisition of software as part of the Group's drive for productivity improvements. There are no unfulfilled conditions or contingencies attached to these grants. The grants received during the financial year are deducted against the carrying amount of the assets acquired.

16 Financial Assets

Adoption of IFRS 9

The following table sets out the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the affected class of the Group's financial assets as at 1 April 2018:

	Note	Measurement category		Carrying amount		
		IAS 39	IFRS 9	IAS 39 US$'000	IFRS 9 US$'000	Differences US$'000
Non-current financial assets						
Financial assets	(a)	AFS	FVOCI	31,042	10,758	(20,284)
Financial assets	(b)	AFS	FVPL	-	20,284	20,284

The transition impact to statements of financial position and consolidated statement of changes in equity are summarised as follows:

		Financial Assets			Equity	
	Note	Fair value through profit or loss (FVPL) US$'000	Available-for-sale (AFS) US$'000	Fair value through other comprehensive income (FVOCI) US$'000	Fair value reserve US$'000	Retained earnings US$'000
The Group						
At 31 March 2018 before adoption of IFRS 9		-	31,042	-	(11,112)	85,935
Reclassified:						
- unlisted equity securities from AFS to FVOCI	(a)	-	(10,758)	10,758	-	-
- listed equity securities from AFS to FVPL	(b)	20,284	(20,284)	-	*	*
At 1 April 2018 after adoption of IFRS 9		20,284	-	10,758	(11,112)	85,935

* Fair value reserve not material.

(a) The Group elected to recognise changes in the fair value of its existing listed equity securities previously classified as "available-for-sale" in "fair value through other comprehensive income". These investments are not held for trading and are strategic investments.

(b) Investments in certain listed equity securities are classified from the "available-for-sale" category to "fair value through profit or loss".

16 Financial Assets (cont'd)

As at 31 March 2019, the details of the Group's financial assets are as follow:

	2019 US$'000	2018 US$'000
Quoted equity investment, at fair value (Note 16a)		
- classified as FVOCI	8,175	-
- classified as Available-for-sale	-	31,042
	8,175	31,042
Unquoted preference shares, at cost (Note 16b)	-	-
Unquoted equity security, at fair value (Note 16c)		
- classified as FVOCI	-*	-*
	8,175	31,042

* Less than US$1,000

(a) Movement in Quoted Equity Investment, at Fair Value:

	2019 US$'000	2018 US$'000
At 1 April	31,042	68,341
Additions	-	24,494
Disposals	(26,653)	(50,681)
Fair value gain/(loss) recognised during the year:		
- FVOCI, recognised in other comprehensive income	1,459	(11,112)
- FVPL, recognised in profit or loss	2,327	-
At 31 March	8,175	31,042

During the previous financial year ended 31 March 2018, as part of the Merger Agreements entered by the investees, the Group recognised a disposal of its existing quoted equity investments of US$50.7 million and received an addition of new quoted equity investments of US$24.5 million. A net loss on disposal of US$12.1million was recognised in profit or loss during the same year. A fair value gain on disposal of US$11.4 million previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the existing quoted equity investments are derecognised.

The movement of the fair value reserve for the quoted equity investment is set out in the Statement of Changes in Equity.

16 Financial Assets (cont'd)

(b) Movement of Unquoted Preference Shares, at Cost:

	2019 US$'000	2018 US$'000
At 1 April	-	3,182
Redemption	-	(3,182)
At 31 March	-	-

During the previous financial year ended 31 March 2018, preference shares have been redeemed at proceeds of US$4.2 million.

(c) Details of Unquoted Equity Security, at Fair Value:

Name	Country of incorporation	Principal activities	Percentage of equity held by the Company 2019	2018
Navig8 ACM VI LLC	Marshall Islands	Ship chartering	5%	5%
Navig8 SG JV LLC	Marshall Islands	Ship chartering	5%	5%

17 Interests in Associates

	2019 US$'000	2018 US$'000
Cost of investments	104,398	105,544
Share of (losses)/profits in associates	(548)	3,588
Share of dividend paid	(1,676)	(732)
	102,174	108,400
Amount due from associates [(1)]	2,718	9,784
At 31 March	104,892	118,184
Representing:		
At 1 April	108,400	113,036
Additions	500	6
Share of current financial years' losses	(4,136)	(3,910)
Share of dividends paid	(944)	(732)
Derecognition of an associate which is a subsidiary	(1,615)	-
Dissolution of an associate	(31)	-
At 31 March	102,174	108,400

(1) The amounts due from associates represent quasi equity loans which are stated at cost as the repayments are neither planned nor likely to occur in the foreseeable future. It is impractical to determine the terms of repayment as the timing of future cash flows cannot be measured reliably.

17 Interests in Associates (cont'd)

Details of the associates are as follows:

Name	Country of Incorporation	Effective interest held by the Group 2019 %	Effective interest held by the Group 2018 %	Note
D8 Product Tankers I LLC	Marshall Islands	50	50	(a), (b)
Herakleitos 3050 LLC	Marshall Islands	-	50	(a), (b), (d)
Navig8 Chemical Tankers Inc	Marshall Islands	20	20	(b), (c)
SWS VLCC JV LLC	Marshall Islands	50	50	
TB Marine Shipmanagement GmbH & Co. KG	Germany	50	50	(b)
DUNA Marine Shipmanagement	Latvia	20	20	(b)
Cassiopeia Shipmangement (Cyprus) Ltd	Cyprus	20	20	(b)
GCC German Crew Center GmbH	Germany	20	20	(b)
D8 Product Tanker Investments LLC	Marshall Islands	-	50	(a), (b), (e)

(a) Audited by Moore Stephens LLP, Singapore.
(b) The reporting date of the companies is 31 December. For the purpose of applying the equity method of accounting, the financial statements of the companies for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2019.
(c) Audited by PricewaterhouseCoopers AS, Oslo, Norway.
(d) During the financial year ended 31 March 2019, the Group acquired the remaining 50% interest in this entity through step acquisition and this entity is now a wholly-owned subsidiary of Navig8 Asset Holdings Inc.
(e) During the financial year ended 31 March 2019, this associate was liquidated.

During the financial year, the Group had the following transactions with the associates on the terms agreed between the parties:

	2019 US$'000	2018 US$'000
Technical and attendance fees received/receivable	3,025	3,805
Management fees received/receivable	5,606	5,822
Recharges received/receivable	463	716

The following table summarises the financial information in respect of the material associate. The summarised financial information represents amounts before intragroup eliminations.

17 Interests in Associates (cont'd)

Navig8 Chemical Tankers Inc

	2019 US$'000	2018 US$'000
Current assets	86,199	54,058
Non-current assets	1,131,345	1,184,845
Current liabilities	64,698	63,305
Non-current liabilities	754,587	754,186
Revenue	162,700	161,634
Loss from continuing operations	(185,853)	(178,073)
Total comprehensive loss	(23,153)	(16,439)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Navig8 Chemical Tankers Inc recognised in the consolidated financial statements:

	2019 US$'000	2018 US$'000
Net assets of Navig8 Chemical Tankers Inc	398,259	421,412
Proportion of the Group's ownership	20%	20%
Carrying amount of the Group's interest	79,186	83,891

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	2019 US$'000	2018 US$'000
The Group's share of:		
Profit/(Loss) from continuing operations	569	(569)
Other comprehensive income	-	-
Total comprehensive income/(loss)	569	(569)
Aggregate carrying amount of the Group's interests in these associates	22,988	24,509

18 Interest in a Joint Venture

	2019 US$'000	2018 US$'000
Cost of investment	16	16
Share of profits in a joint venture	4,907	4,455
Share of dividends paid	(900)	(600)
	4,023	3,871
Amount due to a joint venture [1]	(50)	(50)
At 31 March	3,973	3,821
Representing:		
At 1 April	3,871	4,026
Share of current financial years' profits	452	445
Share of dividends paid	(300)	(600)
At 31 March	4,023	3,871

[1] The amount due to a joint venture represents a quasi-equity loan which is stated at cost as the repayment is neither planned nor likely to occur in the foreseeable future. It is impractical to determine the term of repayment as the timing of future cash flows cannot be measured reliably.

Details of the joint venture are as follows:

Name	Country of Incorporation	Effective interest held by the Group 2019 %	2018 %	Note
Straits Shipping 4 Pte. Ltd.	Singapore	50	50	(a)

(a) Audited by Moore Stephens LLP, Singapore.

The summarised financial information of the joint venture not adjusted for the proportionate ownership interest held by the Group is as follows:

	2019 US$'000	2018 US$'000
Assets and liabilities		
Current assets	662	702
Non-current assets	8,376	8,863
Total assets	9,038	9,565
Current liabilities	(991)	(616)
Non-current liabilities	-	(1,206)
Total liabilities	(991)	(1,822)
Net assets	8,047	7,743

18 Interest in a Joint Venture (cont'd)

The above amounts of assets and liabilities include the following:

	2019 US$'000	2018 US$'000
Cash and cash equivalents	394	473
Current financial liabilities (excluding trade payables and amount due to shareholders)	991	616

During the financial year, the Group had the following transactions with a joint venture on the terms agreed between the parties:

	2019 US$'000	2018 US$'000
Hire expense paid/payable	1,478	1,487

19 Inventories

	2019 US$'000	2018 US$'000
Bunkers, at cost	25,991	16,423

The bunker cost recognised during the financial year is presented under operating expenses (Note 6).

20 Trade and Other Receivables and Prepayments

	2019 US$'000	2018 US$'000
Trade receivables:		
Third parties	326,250	261,362
Less: Allowance for impairment losses	(23,688)	(23,637)
	302,562	237,725
Other receivables:		
Third parties	14,647	20,454
Accrued income receivables	-	46,872
	14,647	67,326
Prepayments	3,725	6,275
	320,934	311,326

During the financial year ended 31 March 2019, the Group has factored trade receivables to a financial institution in exchange for cash. The business model is to hold the assets to collect contractual cash flows. The transaction has been accounted for as a collateralised borrowing as the Group retains the risk in the event of default by these customers. As at 31 March 2019, the carrying amount and fair values of the transferred receivables is US$95.4 million (2018: US$86.7 million) and the carrying amount of the associated liability is US$81.1 million (2018: US$73.7 million).

20 Trade and Other Receivables and Prepayments (cont'd)

The exposures to credit and currency risks are disclosed in Note 30.

	2019	2018
	US$'000	US$'000
Accrued receivables:		
Freight revenue earned but not billed	85,316	-

Accrued receivables represent the Group's right to consideration for work completed but not billed at the reporting date. Invoices are billed to customers when the rights become unconditional. The significant changes in the accrued receivables at the reporting date are as follows:

	2019	2018
	US$'000	US$'000
Accrued receivables:		
Accrued receivables reclassified to trade receivables	(46,872)	-
Changes in measurement of progress	85,316	-

21 Cash and Bank Balances

	2019	2018
	US$'000	US$'000
Cash at banks and on hand	75,553	72,693
Fixed deposits	-	404
	75,553	73,097

There is no collateral and settlement accounts (2018: US$0.1 million) held with a clearing house in relation to derivatives and equity trading as at 31 March 2019.

Cash and bank balances in the consolidated statement of cash flows comprise:

	2019	2018
	US$'000	US$'000
Cash and bank balances	75,553	73,097
Less: Bank balances pledged with financial institutions	(1,390)	(788)
Cash and bank balances as disclosed in the consolidated statement of cash flows	74,163	72,309

The weighted average effective interest rate on bank deposits as at 31 March 2019 is 0.2% (2018: 0.2%) per annum.

22 Share Capital

	2019		2018	
	No. of shares	Amount	No. of shares	Amount
	'000	US$'000	'000	US$'000
Authorised:				
A shares, each with a nominal value of US$1	500	500	500	500
B shares, each with a nominal value of US$1	250	250	250	250
Preference shares, each with a nominal value of US$1,000	500	500,000	500	500,000
	1,250	500,750	1,250	500,750
Issued and fully paid:				
A shares				
At 1 April	86	86	86	86
Redemption of shares	-*	-*	-	-
At 31 March	86	86	86	86
B shares				
At 1 April and 31 March	42	42	42	42
Preference shares				
At 1 April	86	86,109	86	86,109
Redemption of shares	-*	(150)	-	-
At 31 March	86	85,959	86	86,109
Total	214	86,087	214	86,237

* Less than 1,000 shares

The holders of A and B shares rank pari passu to each other and are entitled to one voting right per share.

Preference shares are attached to A shares and are issued to A shareholders proportionately. The holders of the preference shares are entitled to a fixed cumulative preference dividend at a rate of 6% per annum (excluding the amount of any associated tax credit) on the nominal amount of each preference share.

Preference dividends accrue on a daily basis from the day of issue but are not liable for payment until declared at an Annual General Meeting. Such dividends are paid out of net accumulated profit after tax available for distribution in each financial year in priority to payments of dividends to other shareholders.

22 Share Capital (cont'd)

If the Company is prohibited, by reason of law or otherwise, from declaring and paying the preference dividend, the preference dividend accumulates and will be paid as soon as the Company is lawfully able to pay it and no dividend will be proposed, declared or paid on any other class of shares, nor any return of capital made (by redemption or otherwise) until the arrears have been paid in full.

There are no voting rights attached to the preference shares. The preference shares are redeemable only if the same proportion of related A shares are sold.

Holders of preference shares are not entitled to any further right of participation in the profits or income of the Company.

23 Reserves

	2019 US$'000	2018 US$'000
Fair value reserve	(9,653)	(11,112)
Share premium	5,044	5,044
Other reserve	(348)	(498)
Retained earnings	93,129	85,935
At 31 March	88,172	79,369

Fair value reserve

The fair value reserve records the cumulative fair value changes of financial assets at FVOCI (2018: financial assets, available-for-sale) until they are de-recognised or impaired. The movement of the Group's fair value reserve during the financial year is as follows:

	2019 US$'000	2018 US$'000
At 1 April	(11,112)	11,367
Fair value gain/(loss) recognised during the year	1,459	(11,112)
Reversal of fair value gains from equity on disposal of financial assets, available-for-sale	-	(11,367)
At 31 March	(9,653)	(11,112)

23 Reserves (cont'd)

Share premium

The balance of the Group's share premium during the financial year is as follows:

	2019 US$'000	2018 US$'000
At 1 April and 31 March	5,044	5,044

24 Non-Controlling Interests

	2019 US$'000	2018 US$'000
At 1 April	8,419	8,419
Share of profits for the financial year	3,319	4,575
Dividends paid during the financial year	(2,729)	(3,418)
Acquisition of additional interests in a subsidiary (Note 4(A))	-	(1,186)
Exercise of share options during the financial year	28	29
Increase in interest during the financial year	196	-
At 31 March	9,233	8,419

A dividend amounting to US$2.7 million (2018: US$3.4 million) was approved and paid out of the retained earnings of subsidiaries from the current year's profits to non-controlling interests during the financial year.

25 Bank Loans

	2019 US$'000	2018 US$'000
Bank loans		
- Non-current	1,689	7,422
- Current	5,733	15,043
	7,422	22,465

The weighted average interest rates for the bank loans range from 5.4% to 8.2% per annum (2018: 4.5% to 7% per annum) with maturity periods from 1 to 5 years (2018: 1.5 to 5 years). The bank loans are secured by a corporate guarantee from the Company.

There were no defaults or breaches of loan agreement terms during the financial year.

26 Other Borrowings

	2019 US$'000	2018 US$'000
Other borrowings		
- Non-current	346,972	158,746
- Current	49,395	9,111
	396,367	167,857

The weighted average interest rates for the other borrowings range from 5% to 12% (2018: 5% to 12%) with maturity periods from 2 to 10 years (2018: 2 to 10 years).

During the financial year ended 31 March 2019, the Group through its subsidiaries entered into various contracts with third parties for the sale of vessels under construction and vessels. The Group further entered into bareboat charter agreements for these vessels. Where no obligation to purchase the vessels is included, the Group has applied its judgment and determined that the exercise of the purchase option is “almost certain” and treated as financing arrangements. The Company provides guarantees of the obligations entered into by the subsidiaries.

27 Short-term Borrowings

During the financial year ended 31 March 2019, the Group benefited from credit-line facilities obtained by some of its pools and bunker trading division. The facilities are secured by a floating charge over the assets of the borrower and are made available through draw-downs in tenures of not more than 120 days. The average interest rate is 4.9% per annum (2018: 4.0% per annum).

Short-term borrowings related to the pools represent the Group’s share of the facilities on consolidation of the pools’ assets and liabilities. There were no defaults or breaches of terms of the facilities during the financial year.

28 Trade and Other Payables

	2019 US$'000	2018 US$'000
Trade payables	226,270	171,684
Accruals	75,617	42,309
Other payables	93,543	73,264
	395,430	287,257

29 Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered the following material related party transactions:

(a) Key Management Remuneration

	2019 US$'000	2018 US$'000
Salaries and bonus	5,202	4,741
Employer's social security and pension contribution	373	318
Staff welfare and other staff costs	50	45
	5,625	5,104

(b) With Related Parties

	2019 US$'000	2018 US$'000
Management fees received/receivable from a related party	-	2,733
Recharges received/receivable from a related party	-	138

30 Financial Risk Management Objectives and Policies

A) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including charter rate risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk arising in the normal course of the Group's business. The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market Risk

(i) Charter rate risk

The Group's operating revenue principally comprises of income from voyage charter freight and from bareboat charters and time charters which ranges from 2 to 10 years (2018: 2 to 7 years).

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk because entities in the Group borrow at fixed and floating rates. The risk is managed by maintaining an appropriate mix of fixed and floating borrowings, including the use of swaps and other financial instruments where appropriate.

The Group has no significant interest bearing assets, other than bank deposits and cash equivalents. The Group has no significant interest bearing liabilities, other than bank loans and finance lease obligations and the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

The tables below set out the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the maturity dates.

	Variable rates			**Fixed rates**				
	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Non-Interest Bearing US$'000	Total US$'000
2019								
Assets								
Cash and bank balances	75,553	-	-	-	-	-	-	75,553
Trade and other receivables (except prepayments)	-	-	-	-	-	-	317,209	317,209
Accrued receivables	-	-	-	-	-	-	85,316	85,316
Total financial assets	75,553	-	-	-	-	-	402,525	478,078
Liabilities								
Trade and other payables	-	-	-	-	-	-	395,430	395,430
Bank loans	5,733	1,689	-	-	-	-	-	7,422
Other borrowings	14,947	61,855	163,146	34,448	84,626	37,345	-	396,367
Short-term borrowings	112,698	-	-	-	-	-	-	112,698
Total financial liabilities	133,378	63,544	163,146	34,448	84,626	37,345	395,430	911,917

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(ii) Interest rate risk (cont'd)

	Variable rates			Fixed rates				
	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Less than 12 months US$'000	2 to 5 years US$'000	More than 5 years US$'000	Non-Interest Bearing US$'000	Total US$'000
2018								
Assets								
Cash and bank balances	73,097	-	-	-	-	-	-	73,097
Trade and other receivables (except prepayments)	-	-	-	-	-	-	305,051	305,051
Total financial assets	73,097	-	-	-	-	-	305,051	378,148
Liabilities								
Trade and other payables	-	-	-	-	-	-	287,257	287,257
Bank loans	15,043	7,422	-	-	-	-	-	22,465
Other borrowings	7,639	44,245	38,450	1,472	70,969	5,082	-	167,857
Short-term borrowings	94,485	-	-	-	-	-	-	94,485
Total financial liabilities	117,167	51,667	38,450	1,472	70,969	5,082	287,257	572,064

A 3% increase/(decrease) in the interest rates of underlying borrowings at the reporting date would result in a corresponding (decrease)/increase of profit before income tax as follows:

	2019 US$'000	2018 US$'000
Profit before income tax	448	211

This analysis assumes that all other variables remain constant.

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

A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(iii) Foreign currency risk

The Group is not exposed to significant foreign currency risk on its operating activities as most transactions and balances are denominated in United States dollar.

	United States Dollar US$'000	Singapore Dollar US$'000	Pound Sterling US$'000	Others US$'000	Total US$'000
2019					
Financial assets					
Cash and bank balances	69,910	323	178	5,142	75,553
Trade and other receivables (except prepayments)	305,477	2,616	1,552	7,564	317,209
Accrued receivables	85,316	-	-	-	85,316
	460,703	2,939	1,730	12,706	478,078
Financial liabilities					
Trade and other payables	(382,138)	(3,305)	(3,655)	(6,332)	(395,430)
Bank loans	(7,422)	-	-	-	(7,422)
Other borrowings	(396,367)	-	-	-	(396,367)
Short-term borrowings	(112,698)	-	-	-	(112,698)
	(898,625)	(3,305)	(3,655)	(6,332)	(911,917)
Currency exposure on net financial (liabilities)/assets		(366)	(1,925)	6,374	
2018					
Financial assets					
Cash and bank balances	69,613	448	254	2,782	73,097
Trade and other receivables (except prepayments)	298,514	602	1,399	4,536	305,051
	368,127	1,050	1,653	7,318	378,148
Financial liabilities					
Trade and other payables	(274,407)	(4,691)	(3,862)	(4,297)	(287,257)
Bank loans	(22,465)	-	-	-	(22,465)
Other borrowings	(167,857)	-	-	-	(167,857)
Short-term borrowings	(94,485)	-	-	-	(94,485)
	(559,214)	(4,691)	(3,862)	(4,297)	(572,064)
Currency exposure on net financial (liabilities)/assets		(3,641)	(2,209)	3,021	

Management is of the view that the foreign currency risk is not material to warrant disclosure of a sensitivity analysis.

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk

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

The Group's primary exposure to credit risk arises through its trade and other receivables. It is the Group's policy to enter into transactions with creditworthy customers to mitigate any significant credit risk. The Group has procedures in place to control credit risk and exposure to such risk is monitored on an ongoing basis.

The Group'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 consolidated balance sheet.

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

Credit Risk Grading Guideline

The internal credit risk grading which are used to report the Group'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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

Based on the Group'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 Group'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 proceed with financial institution counterparties, which are rated Aa1 to Baa3, based on rating agency ratings. Debt instruments measured at amortised cost are considered low credit risks as the instrument is of a good rating.

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

Cash and Cash Equivalents and Other Financial Assets (cont'd)

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 asset are assessed to be minimal. The gross and net carrying amount of these financial assets are disclosed in Note 20 and Note 21 to the financial statements.

Trade Receivables and Accrued Receivables

As disclosed in Note 2(q), loss allowance for trade receivables and accrued receivables have been recognised at an amount equal to lifetime expected credit losses. The Group has assessed the financial assets as performing, counterparties have low risk of default and does not have any historical defaults. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment.

The gross and net carrying amount of trade receivables are set out in Note 20 to the financial statements. The table below is an analysis of trade receivables at the reporting date:

	Gross carrying amount US$'000	Lifetime expected credit losses US$'000	Net carrying amount US$'000
31 March 2019			
Individual Assessment:			
Third Parties	24,185	(23,230)	955
Collective Assessment:			
Third Parties			
Current	284,676	(82)	284,594
Past due:			
Up to three months	9,489	(57)	9,432
More than three months	7,900	(319)	7,581
	326,250	(23,688)	302,562

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

A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

Trade Receivables and Accrued Receivables (cont'd)

The movement in allowance for impairment of trade receivables is as follows:

	2019 US$'000	2018 US$'000
At 1 April	23,637	20,833
Impairment for the year (Note 6)	4,426	11,131
Impairment written back (Note 6)	(1,668)	(6,076)
Impairment written off	(2,707)	(2,251)
At 31 March (Note 20)	23,688	23,637

The impaired trade receivables arose from long outstanding amounts which remained unpaid at the reporting date and accordingly there are significant uncertainties on the recovery of the amounts. None of the trade receivables that have been written off is subject to enforcement activities.

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

The table below is an analysis of trade and other receivables as at 31 March 2018:

	2018 US$'000
Not past due and not impaired	296,018
Past due but not impaired *	9,033
Past due and impaired	23,637
	328,688
Less: Allowance for impairment losses	(23,637)
Trade and other receivables, net	305,051

* Aging of trade receivables that are past due but not impaired:

	2018 US$'000
Past due:	
- Up to three months	6,578
- More than three months	2,455
	9,033

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

A) Financial Risk Factors (cont'd)

(c) Liquidity Risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in 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.

	Carrying Amounts		Cash Flows		
		Contractual cash flows	Within one year	Between two to five years	After five years
	US$'000	US$'000	US$'000	US$'000	US$'000
2019					
Trade and other payables	(395,430)	(395,430)	(395,430)	-	-
Bank loans	(7,422)	(7,798)	(5,944)	(1,854)	-
Other borrowings	(396,367)	(553,410)	(77,169)	(216,100)	(260,141)
Short-term borrowings	(112,698)	(112,698)	(112,698)	-	-
	(911,917)	(1,069,336)	(591,241)	(217,954)	(260,141)
2018					
Trade and other payables	(287,257)	(287,257)	(287,257)	-	-
Bank loans	(22,465)	(23,975)	(16,199)	(7,776)	-
Other borrowings	(167,857)	(221,992)	(20,971)	(139,259)	(61,762)
Short-term borrowings	(94,485)	(94,485)	(94,485)	-	-
	(572,064)	(627,709)	(418,912)	(147,035)	(61,762)

B) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to operate as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders, to support the Group's stability and growth; and to provide capital for the purpose of strengthing the Group's financial management capability. There is no change in its capital management policy during the year.

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

Capital includes share capital, reserves and interest bearing debts.

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

B) Capital Risk Management (cont'd)

The Group monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as short and long-term debt over total assets. Short and long-term debt comprises short-term borrowings, other borrowings, and bank loans.

	2019	2018
	US$'000	US$'000
Short and long-term debt	516,487	284,807
Total assets	1,097,909	750,023
Leverage ratio	47%	38%

The Group does not have to comply with any externally imposed capital requirements for the financial years ended 31 March 2019 and 2018.

C) Fair Value Estimation

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

C) Fair Value Estimation (cont'd)

(i) Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
At 31 March 2019				
Financial assets	8,175	-	-*	8,175
At 31 March 2018				
Financial assets	31,042	-	-*	31,042

* less than US$1,000

Financial assets

Transfer of financial assets

The Group's policy is to regard transfers between fair value levels as having occurred at the date of the event giving rise to those transfers.

Level 1 Fair value measurement

The fair value of the securities is measured based on the current bid price of the financial asset as at year end.

Level 2 Fair value measurement

	Quoted investments 2019 US$'000	Quoted investments 2018 US$'000
Group		
As at 1 April	-	47,984
Disposals	-	(47,984)
As at 31 March	-	-

Other than as disclosed above, there were no transfer in Level 2 and Level 3 during the financial years ended 31 March 2019 and 2018.

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

C) Fair Value Estimation (cont'd)

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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 value of bank loans and other borrowings compared to fair value is shown below:

	2019		2018	
	Carrying value US$'000	Fair value US$'000	Carrying value US$'000	Fair value US$'000
Bank loans and other borrowings	403,789	415,037	190,322	204,629

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

Fair value hierarchy

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
At 31 March 2019				
Financial liabilities				
Bank loans and other borrowings	-	415,037	-	415,037
At 31 March 2018				
Financial liabilities				
Bank loans and other borrowings	-	204,629	-	204,629

31 Segment Information

Information about our reportable segments for the financial year/period are as follows:

- Asset Management – includes voyage charter, freight income and time and bareboat charter income.
- Services – includes bunker trading income, commission income, administration fees and management fees

31 Segment Information (cont'd)

(A) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

2019	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
Revenue	426,054	3,067,290	3,493,344	(343,094)	3,150,250
Operating expenses	(426,345)	(2,948,989)	(3,375,334)	327,630	(3,047,704)
Profit from operations	(291)	118,301	118,010	(15,464)	102,546
Other income	378	823	1,201	60	1,261
Other expenses	(916)	(470)	(1,386)	-	(1,386)
Administrative expenses	(2,821)	(78,721)	(81,542)	15,462	(66,080)
Finance income	18	2,832	2,850	(2,791)	59
Finance costs	(19,705)	(5,026)	(24,731)	2,791	(21,940)
Share of losses in associates and a joint venture	(4,832)	1,148	(3,684)	-	(3,684)
	(28,169)	38,887	10,718	58	10,776
Exceptional item-Net gain on disposal of financial assets	2,327	-	2,327	-	2,327
(Loss)/Profit before income tax	(25,842)	38,887	13,045	58	13,103
Income tax expense	2	(2,232)	(2,230)	-	(2,230)
Net (loss)/profit for the year	(25,840)	36,655	10,815	58	10,873

2018	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
Revenue	385,626	2,512,595	2,898,221	(215,719)	2,682,502
Operating expenses	(393,589)	(2,384,058)	(2,777,647)	202,962	(2,574,685)
Profit from operations	(7,963)	128,537	120,574	(12,757)	107,817
Other income	912	1,107	2,019	-	2,019
Other expenses	(1,066)	(10)	(1,076)	-	(1,076)
Administrative expenses	(1,408)	(74,851)	(76,259)	12,757	(63,502)
Finance income	13	53	66	-	66
Finance costs	(9,636)	(3,255)	(12,891)	-	(12,891)
Share of losses in associates and a joint venture	(3,940)	475	(3,465)	-	(3,465)
	(23,088)	52,056	28,968	-	28,968
Exceptional item-Net gain on disposal of financial Assets / unquoted preference shares	(11,107)	-	(11,107)	-	(11,107)
(Loss)/Profit before income tax	(34,195)	52,056	17,861	-	17,861
Income tax expense	2	(4,268)	(4,266)	-	(4,266)
Net (loss)/profit for the year	(34,1953)	47,788	13,595	-	13,595

31 Segment Information (cont'd)

B) Reconciliation

	2019 US$'000	2018 US$'000
(j) Segment assets		
Asset Management	735,115	440,436
Services	673,120	593,565
Total segment assets	1,408,235	1,034,001
Eliminations	(310,326)	(283,978)
Consolidated total assets	1,097,909	750,023
(ii) Segment liabilities		
Asset Management	(817,344)	(511,642)
Services	(354,978)	(303,426)
Total segment liabilities	(1,172,322)	(815,068)
Eliminations	257,905	239,070
Consolidated total liabilities	(914,417)	(575,998)

C) Other segment information

	Group			
	Depreciation and amortisation		Additions to non-current assets	
	2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Asset Management	7,127	4,147	255,980	105,156
Services	1,666	1,040	2,740	1,762
Total	8,793	5,187	258,720	106,918

32 Commitments

(a) As Lessee

At the balance sheet date, the Group has commitments for minimum bareboat and time charter and rental payments for office rentals payables under non-cancellable operating leases as follows:

(i) Bareboat and Time Charter

	2019 US$'000	2018 US$'000
Due:		
Within one year	34,042	47,835
Between two to five years	894	3,175
	34,936	51,010

(ii) Office Rentals

The Group has entered into several commercial leases for the office premises and facilities for lease terms of between two to five years (2018: two to five years). There are no restrictions placed upon the Group by entering into these leases. At the balance sheet date, the future minimum rental payable under non-cancellable operating leases is as follows:

	2019 US$'000	2018 US$'000
Due:		
Within one year	2,727	3,088
Between two to five years	8,320	6,814
	11,047	9,902

(b) As Lessor

The Group's subsidiaries and joint venture companies have chartered out a number of vessels under time charter and bareboat charter agreements which are classified as non-cancellable operating leases. These charters have terms ranging from two to five years (2018: two to five years). Future minimum lease receivables under these charters are as follows:

	2019 US$'000	2018 US$'000
Due:		
Within one year	2,053	12,001
Between two to five years	619	-
	2,672	12,001

Operating lease receipts are recognised in profit or loss during the financial year as part of revenue.

32 Commitments (cont'd)

(c) Capital Commitment

Capital expenditure contracted for as at 31 March but not recognised in the financial statement is as follows:

	2019 US$'000	2018 US$'000
Commitments related to shipyard instalments	266,328	498,876

33 Preference Share Dividends

At the balance sheet date, there were accumulated and unpaid preference share dividends amounting to US$46.7 million (2018: US$41.5 million).

34 Events after the Reporting Date

Bonds issuance

On 3 May 2019, the Group, through its subsidiary Navig8 Topco Holdings Inc, has issued US$100 million senior secured bonds. These bonds will mature on 3 May 2023.

Merger of Ship Management services with Suntech Maritime Pte. Ltd.

On 15 May 2019, the Group disposed a 50% interest in its Ship Management division, which provides technical management services to Suntech Maritime Pte. Ltd. Upon the disposal, the Group holds 50% interest in Suntech Ship Management Pte. Ltd. (formerly known as Navig8 Ship Management Pte. Ltd.) through a 50% interest held by Technical Investments Inc in Suncorp Holdings Inc, holding company of Suntech Maritime Pte. Ltd.

Delivery of vessels from New Times Shipbuilding

Subsequent to the financial year, the Group has taken delivery of six 49,000DWT and four 110,600DWT scrubber fitted vessels from New Times Shipbuilding. These vessels will be entered into and operated in the Group's commercial pools.

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2019

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

31 MARCH 2019

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INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 Integr8 Fuels Holding Inc (the “Company”) for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 6 September 2019
And signed on its behalf by,

....

DANIEL CHUNG YAN CHU

....

PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Integr8 Fuels Holding Inc (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

INTEGR8 FUELS HOLDING 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 SHAREHOLDERS OF

INTEGR8 FUELS HOLDING 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
6 September 2019

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
Other income	4	6,900	7,007
Administrative expenses	5	(8)	(5)
Finance income		-*	-*
Profit before income tax		6,892	7,002
Income tax expense	6	-	-
Profit for the financial year		6,892	7,002
Other comprehensive income		-	-
Total comprehensive income for the financial year		6,892	7,002

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Investment in subsidiaries	7	3,153	3,153
Current Assets			
Cash and bank balances	8	117	20
Other receivables	9	80,582	59,886
		80,699	59,906
TOTAL ASSETS		83,852	63,059
EQUITY AND LIABILITIES			
Equity			
Share capital	10	3,300	3,300
Retained earnings		65	73
		3,365	3,373
Current Liabilities			
Other payables	11	80,487	59,686
TOTAL EQUITY AND LIABILITIES		83,852	63,059

The accompanying notes form an integral part of the financial statements

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$'000	Retained Earnings US$'000	Total US$'000
Balance as at 1 April 2018	3,300	73	3,373
Profit for the year	-	6,892	6,892
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	6,892	6,892
Dividends paid/payable (Note 12)	-	(6,900)	(6,900)
Balance as at 31 March 2019	3,300	65	3,365
Balance as at 1 April 2017	3,300	75	3,375
Profit for the year	-	7,002	7,002
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	7,002	7,002
Dividends paid/payable (Note 12)	-	(7,000)	(6,944)
Balance as at 31 March 2018	3,300	73	3,373

The accompanying notes form an integral part of the financial statements

INTEGR8 FUELS HOLDING INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$'000	2018 US$'000
Cash Flows from Operating Activities		
Profit before income tax	6,892	7,002
Adjustments for:		
Dividend income	(6,900)	(7,000)
Operating cash flows before working capital changes	(8)	2
Changes in working capital		
Other receivables	-	1
Other payables	22	50
Net cash used from operating activities	14	53
Cash Flows from Investing Activities		
Advances to ultimate holding company and related parties	(20,696)	(9,718)
Dividends received	6,900	7,000
Net cash used in investing activities	(13,796)	(2,718)
Cash Flows from Financing Activities		
Advances from related parties	20,779	9,599
Dividends paid	(6,900)	(7,000)
Net cash generated from financing activities	13,879	2,599
Net increase/ (decrease) in cash and cash equivalents	97	(66)
Cash and cash equivalents at the beginning of the financial year	20	86
Cash and cash equivalents at the end of the financial year (Note 8)	117	20

The reconciliation of movement of liabilities to cash flows arising from financing activity is presented as below:

	Balance at 1 April US$	Cash flows - proceeds US$	Balance at 31 March US$
2019			
Advances from related parties (Note 11)	59,249	20,779	80,028
2018			
Advances from related parties (Note 11)	49,650	9,599	59,249

The accompanying notes form an integral part of the financial statements

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

1 General

Integr8 Fuels Holding 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 is wholly owned by Navig8 TopCo Holdings Inc, a company incorporated in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Notes 9 and 14 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

2 Significant Acounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

Amendments to IFRS 9 — *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(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.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

Translation and balances (cont'd)

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.

(d) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met:

- The Company is itself a partially-owned subsidiary of another Company and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements.
- The Company's debt or equity instruments are not publicly traded.
- The Company is not in the process of issuing securities to the public.
- The consolidated financial statements are prepared by the Company's ultimate holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets

Accounting policies are applicable from 1 April 2018

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.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

Accounting policies are applicable until 31 March 2018

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and bank balances" on the statement of financial position.

Other receivables

Other receivables, including amounts due from related companies and ultimate holding company, are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(f) Cash and Bank Balances

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

(g) 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.

(h) Other Payables

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

(i) 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.

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;

2 Significant Accounting Policies (cont'd)

(i) Related Parties (cont'd)

b. An entity is related to a reporting entity if any of the following conditions applies (cont'd):

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, except as follows:

Loss allowance for receivables

The Company measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(e) to the financial statements. This assessment is based on the credit history of its customers and other debtors and the current market condition. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying values of other receivables as at 31 March 2019 amounted to US$80.6 million (2018: US$59.9 million). The information about the expected credit losses on the Company's other receivables is disclosed in Note 14 to the financial statements.

4 Other Income

	2019 US$'000	2018 US$'000
Dividends received from a subsidiary	6,900	7,000
Other income	-	7
	6,900	7,007

5 Administrative Expenses

	2019 US$'000	2018 US$'000
Legal and professional fees	8	5

6 Income Tax Expense

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

7 Investment in Subsidiaries

	2019 US$'000	2018 US$'000
Unquoted equity shares, at cost		
At the beginning and end of the financial year	3,153	3,153

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company 2019 %	2018 %
(i) Bunker Trading			
Integr8 Fuels Inc*	Marshall Islands	100	100
(ii) Bunker brokerage			
Integr8 Fuels America LLC	USA	100	100
Integr8 Fuels Asia Pte Ltd*	Singapore	100	100
Integr8 Fuels DMCC*	Dubai	100	100
Integr8 Fuels Europe Ltd*	United Kingdom	100	100
Integr8 Fuels Germany GmbH	Germany	100	100
Integr8 Fuels Greece S.A.*	Greece	100	100

7 Investment in Subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company	
		2019	2018
		%	%
(ii) Bunker brokerage (cont'd)			
Integr8 Fuels India Private Limited*	India	100	100
Integr8 Fuels Japan KK	Japan	100	100
Integr8 Fuels Oslo AS	Singapore	100	100
Integr8 Turkey Akaryakit Tic.Ltd*.	Turkey	100	100

* Entities held directly by the Company

8 Cash and Bank Balances

	2019 US$'000	2018 US$'000
Cash at bank	117	20

9 Other Receivables

	2019 US$'000	2018 US$'000
Other receivables:		
Third parties	-*	-
Amount due from related parties	3,240	17
Amount due from the ultimate holding company	77,342	59,869
	80,582	59,886

*- Less than US$1,000

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

10 Share Capital

	2019		2018	
	No. of shares '000	US$ '000	No. of shares '000	US$'000
Issued and fully paid:				
At the beginning and end of the financial year	3,300	3,300	3,300	3,300

There is no par value for these ordinary shares.

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.

11 Other Payables

	2019	2018
	US$'000	US$'000
Other payables:		
- Third party	-	1
- Accruals	459	436
- Amount due to related parties	80,028	59,249
	80,487	59,686

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

12 Dividends

	2019	2018
	US$'000	US$'000
Dividends paid/payable in respect of respective financial years	6,900	7,000

A dividend amounting to US$6.9 million (2018: US$7.0 million) was approved and paid out of the retained earnings from the current and prior year's profits to shareholders during the financial year.

13 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 9 and 11 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$	2018 US$
Dividends received from subsidiary	6,900	7,000
Dividend paid/payable to related parties	5,921	6,032

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

14 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.

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.

14 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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 proceed with financial institution counterparties, which are rated Aa3, 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 Company 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 asset are assessed to be minimal. The gross and net carrying amount of these financial assets are disclosed in Note 8 and Note 9 to the financial statements.

14 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired.

(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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year.

(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 2019 and 2018.

14 Financial Instruments (cont'd)

(b) Capital Risk Management (cont'd)

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

	2019 US$'000	2018 US$'000
Total liabilities	80,487	59,686
Total assets	83,852	63,059
Leverage ratio	96%	95%

The Company maintains a sufficient level of capital for ongoing operations.

(c) Fair Value

Financial instruments including other receivables, and other payables are measured at carrying amounts which is reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

15 Events after the Reporting Date

Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

31 MARCH 2019

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 Asset Management Holdings Inc (the "Company") for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 5 September 2019
And signed on its behalf by,

……………………………………………
DANIEL CHUNG YAN CHU

……………………………………………
PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Asset Management Holdings Inc (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

NAVIG8 ASSET MANAGEMENT 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 SHAREHOLDERS OF

NAVIG8 ASSET MANAGEMENT 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 September 2019

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$	Period from 14.9.2017 to 31.03.2018 US$
Administrative expenses	4	(899)	(1,029)
Loss before income tax		(899)	(1,029)
Income tax expense	5	-	-
Loss for the financial year/period		(899)	(1,029)
Other comprehensive income		-	-
Total comprehensive loss for the financial year/period		(899)	(1,029)

The accompanying notes form an integral part of the financial statements

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-Current Assets			
Investments in subsidiaries	6	2	2
Current Assets			
Cash and bank balances	7	1	1
TOTAL ASSETS		3	3
EQUITY AND LIABILITIES			
Equity			
Share capital	8	1	1
Accumulated losses		(1,928)	(1,029)
		(1,927)	(1,028)
Current Liabilities			
Other payables	9	1,930	1,031
TOTAL EQUITY AND LIABILITIES		3	3

The accompanying notes form an integral part of the financial statements

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$	Accumulated Losses US$	Total US$
Balance as at 1 April 2018	1	(1,029)	(1,028)
Loss for the year	-	(899)	(899)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	-	(899)	(899)
Balance as at 31 March 2019	1	(1,928)	(1,927)
As at date of incorporation	-	-	-
Issuance of share capital	1	-	1
Loss for the year	-	(1,029)	(1,029)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial period	-	(1,029)	(1,029)
Balance as at 31 March 2018	1	(1,029)	(1,028)

The accompanying notes form an integral part of the financial statements

NAVIG8 ASSET MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$	Period from 14.9.2017 to 31.03.2018 US$
Cash Flows from Operating Activities		
Loss before income tax	(899)	(1,029)
Changes in working capital		
Other payables	(11)	379
Net cash used in operating activities	(910)	(650)
Cash Flows from Investing Activity		
Investment in subsidiaries	-	(2)
Net cash used in investing activity	-	(2)
Cash Flows from Financing Activities		
Issuance of share capital	-	1
Advances from related parties	910	652
Net cash generated from financing activities	910	653
Net increase in cash and cash equivalents	-	1
Cash and cash equivalents at the beginning of the financial year/period	1	-
Cash and cash equivalents at the end of the financial year/period (Note 7)	1	1

The reconciliation of movement of liabilities to cash flows arising from financing activity is presented as below:

	Balance at beginning of the year/period US$	Cash flows - proceeds US$	Balance at 31 March US$
2019			
Advances from related parties (Note 9)	652	910	1,562
2018			
Advances from related parties (Note 9)	-	652	652

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 Asset Management 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 is wholly owned by Navig8 TopCo Holdings Inc, a company incorporated in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost or FVPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 11 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(b) Going Concern

The Company generated a net loss of US$899 (2018: US$1,029) for the financial year ended 31 March 2019, the Company's current liabilities exceeded its current assets by US$1,929 (2018: US$1,030) and the Company has a deficit in net equity of US$1,927 (2018: US$1,028). These factors indicate the existence of an uncertainty which may cast doubt as to whether the Company is able to continue as a going concern. The financial statements have been prepared on a going concern basis as the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(c) 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.

2 Significant Accounting Policies (cont'd)

(c) Functional Currency and Foreign Currency Translation (cont'd)

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.

(d) 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.

(e) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met:

- The Company is itself a wholly owned subsidiary of another Company and all its owners have been informed about, and do not object to, the parent not presenting consolidated financial statements.

- The Company's debt or equity instruments are not publicly traded.

2 Significant Accounting Policies (cont'd)

(e) Consolidation (cont'd)

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met: (cont'd)

- The Company is not in the process of issuing securities to the public.

- The consolidated financial statements are prepared by the Company's holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

(f) Financial Assets

<u>Accounting policies are applicable from 1 April 2018</u>

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Impairment (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

<u>Accounting policies are applicable from 1 April 2018</u> (cont'd)

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.

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.

<u>Accounting policies are applicable until 31 March 2018</u>

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "cash and bank balances" on the statement of financial position.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable until 31 March 2018 (cont'd)

Other receivables

Other receivables are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

(g) Cash and Bank Balances

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

(h) 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.

(i) 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.

(j) 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)

(j) 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.

4 Administrative Expenses

Administrative expenses included the following significant balance:

	2019 US$	Period from 14.9.2017 to 31.03.2018 US$
Professional fees	892	1,029

5 Income Tax Expense

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

6 Investment in Subsidiaries

	2019 US$	2018 US$
Unquoted equity shares, at cost		
At the beginning of the financial year/date of incorporation	2	-
Addition	-	2
At the beginning and end of the financial year/period	2	2

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company	
		2019 %	2018 %
(i) Investment holding			
Apollo Shipping Inc	Marshall Islands	100	100
Navig8 Asset Co Investments Inc *	Marshall Islands	100	100
Navig8 Asset Holdings Inc *	Marshall Islands	100	100
Pythagoras Corporation Ltd	Marshall Islands	100	100
(ii) Ship owning		%	%
Apollo Shipping 1 Inc Corporation	Marshall Islands	100	100
Apollo Shipping 2 Inc Corporation	Marshall Islands	100	100
Apollo Shipping 3 Inc Corporation	Marshall Islands	100	100
Apollo Shipping 4 Inc Corporation	Marshall Islands	100	100
Apollo Shipping 5 Inc Corporation	Marshall Islands	100	-
Apollo Shipping 6 Inc Corporation	Marshall Islands	100	-

6 Investment in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company 2019 %	2018 %
(ii) Ship owning (cont'd)			
Apollo Shipping 7 Inc Corporation	Marshall Islands	100	-
Apollo Shipping 8 Inc Corporation	Marshall Islands	100	-
Straits Shipping 2 Corporation	Marshall Islands	100	100
Navig8 Constellation Corporation	Marshall Islands	100	100
Navig8 Universe Corporation	Marshall Islands	100	100
Pythagoras Corporation 1 Inc	Marshall Islands	100	100
Pythagoras Corporation 2 Inc	Marshall Islands	100	100
Pythagoras Corporation 3 Inc	Marshall Islands	100	100
Pythagoras Corporation 4 Inc	Marshall Islands	100	100
Pythagoras Corporation 5 Inc	Marshall Islands	100	-
Pythagoras Corporation 6 Inc	Marshall Islands	100	-
Pythagoras Corporation 7 Inc	Marshall Islands	100	-
Pythagoras Corporation 8 Inc	Marshall Islands	100	-
Pythagoras Corporation 9 Inc	Marshall Islands	100	-
Pythagoras Corporation 10 Inc	Marshall Islands	100	-
Pythagoras Corporation 11 Inc	Marshall Islands	100	-
Pythagoras Corporation 12 Inc	Marshall Islands	100	-
Herakleitos 3050 LLC	Marshall Islands	100	-

* Subsidiaries held directly by the Company.

7 Cash and Bank balances

	2019 US$	2018 US$
Cash on hand	1	1

8 Share Capital

	2019		2018	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At the beginning of the financial year/date of incorporation	1	1	-	-
Issuance of share capital	1	1	1	1
At the end of the financial year/period	1	1	1	1

There is no par value for these ordinary shares.

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.

9 Other Payables

	2019	2018
	US$	US$
Other payables		
- Related parties	1,562	652
- Accruals	368	379
	1,930	1,031

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

10 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 7 and 9 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019	2018
	US$	US$
Expenses payable to related parties	899	1,029

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

11 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.

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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:

11 **Financial Instruments** (cont'd)

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

(i) Credit risk (cont'd)

Cash and Cash Equivalents and Other Financial Assets

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 Company 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 amount of these financial assets are disclosed in Note 7 to the financial statements.

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired.

(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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year. As disclosed in Note 2(b) to the financial statements, the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(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 year ended 31 March 2019 and financial period from 14 September (date of incorporation) to 31 March 2018.

11 Financial Instruments (cont'd)

(b) Capital Risk Management (cont'd)

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

	2019 US$	2018 US$
Total liabilities	1,930	1,031
Total assets	3	3
Leverage ratio	n.m	n.m

n.m. – not meaningful

Based on the above, the Company's liquid liabilities are higher than the total assets as at 31 March 2019 and 2018. The Company maintains a sufficient level of capital for ongoing operations, based on continued support from its ultimate holding company.

(c) Fair Value

Financial instruments including other payables are measured at carrying amounts which is reasonable approximation of their fair values as at 31 March 2019 and 2018 due to their short term maturity.

12 Comparative Figures

The comparative figures cover the financial period from 14 September 2017 to 31 March 2018. The financial statements for the current financial year cover the twelve months ended 31 March 2019.

13 Events after the Reporting Date

Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

NAVIG8 INC.
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 INC.
(Incorporated in the Marshall Islands)

31 MARCH 2019

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NAVIG8 INC.
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF THE DIRECTORS

Directors

Philip Andrew Stone
Daniel Chung Yan Chu
Jason Peter Klopfer

Secretary

Daniel Chung Yan Chu

The directors present their report and the audited financial statements of Navig8 Inc. (the "Company") for the financial year ended 31 March 2019.

Principal Activities

The principal activities of the Company are those of ship chartering.

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 2019 which give a true and fair view of the affairs of the Company and the results of the Company for that financial year 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.

NAVIGS INC.
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 26 August 2019
And signed on its behalf by,

DANIEL CHUNG YAN CHU

PHILIP ANDREW STONE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

NAVIG8 INC.
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Inc. (the "Company"), which comprise the statement of financial position as at 31 March 2019 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 2019 and of its financial performance, and its cash flows for the year 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 Report of 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 SHAREHOLDER OF

NAVIG8 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 SHAREHOLDER OF

NAVIG8 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
26 August 2019

NAVIG8 INC.
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
Revenue	4	125,549	129,397
Net revenue from Pools	5	66,727	64,573
Operating expenses	6	(201,029)	(210,295)
Net impairment (loss)/write-back on trade receivables	6	(57)	2,044
Operating loss		(8,810)	(14,281)
Administrative expenses	7	(51)	(57)
Other losses	8	(13)	(75)
Finance income	9	3	2
Finance expense	10	(2,790)	-
Loss before income tax		(11,661)	(14,411)
Income tax expense	11	-	-
Loss for the financial year		(11,661)	(14,411)
Other comprehensive income		-	-
Total comprehensive loss for the financial year		(11,661)	(14,411)

The accompanying notes form an integral part of the financial statements

NAVIG8 INC.
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Other investments	12	-*	-*
Current Assets			
Inventories	13	655	123
Trade, other receivables and prepayments	14	26,716	30,555
Accrued receivables	14	10,964	-
Bank balances	15	14,640	10,216
		52,975	40,894
TOTAL ASSETS		52,975	40,894
EQUITY AND LIABILITIES			
Equity			
Share capital	16	-*	-*
Accumulated losses		(25,093)	(13,432)
		(25,093)	(13,432)
Current Liabilities			
Trade and other payables	17	78,068	54,326
TOTAL EQUITY AND LIABILITIES		52,975	40,894

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

NAVIG8 INC.
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$'000	Accumulated Losses US$'000	Total US$'000
Balance as at 1 April 2018	-*	(13,432)	(13,432)
Loss for the year	-	(11,661)	(11,661)
Other comprehensive loss	-	-	-
Total comprehensive loss for the year	-	(11,661)	(11,661)
Balance as at 31 March 2019	-*	(25,093)	(25,093)
Balance as at 1 April 2017	-*	979	979
Loss for the year	-	(14,411)	(14,411)
Other comprehensive loss	-	-	-
Total comprehensive loss for the year	-	(14,411)	(14,411)
Balance as at 31 March 2018	-*	(13,432)	(13,432)

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

NAVIG8 INC.
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$'000	2018 US$'000
Cash Flows from Operating Activities		
Loss before income tax	(11,661)	(14,411)
Adjustment for:		
Unrealised foreign exchange loss	1	-*
Impairment loss on trade receivables	237	523
Impairment loss on trade receivables written back	(180)	(2,567)
Bad debt written off	685	-
Interest income	(3)	(2)
Operating cash flows before working capital changes	(10,921)	(16,457)
Changes in working capital:		
Inventories	(532)	1,303
Trade, other receivables and prepayments and accrued receivables	(5,987)	2,519
Trade and other payables	21,241	4,717
Cash generated from/(used in) operations	3,801	(7,918)
Interest received	3	2
Net cash generated from/(used in) operating activities	3,804	(7,916)
Cash Flows from Financing Activities		
(Repayments to)/advances from related parties - non-trade	(17,054)	7,508
Advances from ultimate holding company - non-trade	17,675	8,523
Net cash generated from financing activities	621	16,031
Net increase in bank balances	4,425	8,115
Bank balances at the beginning of the financial year	10,216	2,101
Effect of currency translation on cash and cash equivalents	(1)	-*
Bank balances at the end of the financial year (Note 15)	14,640	10,216

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

	Balance at 1 April US$'000	Net cash (outflow)/ inflows US$'000	Balance at 31 March US$'000
2019			
Notes 14 and 17			
Advances from related parties	8,629	(17,054)	(8,425)
Advances from ultimate holding company	8,489	17,675	26,164
2018			
Notes 14 and 17			
Advances from related parties	1,121	7,508	8,629
Advances from ultimate holding company	(34)	8,523	8,489

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 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 ship chartering.

The Company is wholly owned by Navig8 Group Holdings Inc, a company incorporated in the Marshall Islands. 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 has authorised these financial statements for issue on the date of the Report of the 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/Revised IFRS which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

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

(a) Basis of Preparation (cont'd)

Adoption of New/Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
  - The designation of an equity investment that is not held-for-trading as at FVOCI.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company is classified and measured at amortised cost or FVOCI. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

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

(a) Basis of Preparation (cont'd)

Adoption of New/Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that:

(a) Trade and other receivables, accrued receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified as amortised cost.
(b) Other investments in equity security previously stated at cost are now stated at fair value with fair value changes presented in other comprehensive income (FVOCI).

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 20 to the financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company adopted IFRS 15 in its financial statements using a modified retrospective application approach. The adoption of IFRS 15 did not have a significant impact on the financial performance or financial position of the Company, except for contract assets (accrued receivables), which are presented separately in the statement of financial position. Additional information are disclosed in Note 2(d), Note 4 and Note 14 to the financial statements.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised IFRS issued but not yet effective

As at the date of authorisation of these financial statements, the Company has not adopted the following new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 — *Leases*

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. 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. The standard is effective for accounting periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

The Company plans to adopt IFRS 16 on 1 April 2019 based on a permitted transition 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 Company will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 April 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 March 2019. The Company also plans to adopt an expedient offered by IFRS 16, exempting the Company from having to reassess whether pre-existing contracts contain a lease.

As disclosed in Note 18, the Company has entered into various operating lease arrangements as lessee. As at 31 March 2019, the minimum lease payments committed under non-cancellable operating leases amounted to US$36.3 million. As at 1 April 2019, the Company does not expect any impact on the right-of-use of assets, lease liabilities, retained earnings and its related tax impact as of 1 April 2019. The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Amendments to IFRS 9 — *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition.

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

(a) Basis of Preparation (cont'd)

New/Revised IFRS issued but not yet effective (cont'd)

Amendments to IFRS 9 — *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities* (cont'd)

The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(b) Going Concern Assumption

The Company incurred a net loss of US$11.7 million (2018: US$14.4 million) for the financial year ended 31 March 2019 and as that date, the Company's current liabilities exceeded its current assets by US$25.1 million (2018: US$13.4 million) and the Company has a deficit in shareholders' funds of US$25.1 million (2018: US$13.4 million). These factors indicate the existence of an uncertainty which may cast doubt as to whether the Company is able to continue as a going concern. The financial statements have been prepared on a going concern basis as the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(c) 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.

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

(c) Functional Currency and Foreign Currency Translation (cont'd)

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 are 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 are translated using the exchange rates at the date when the fair value was determined.

(d) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A contract asset (accrued receivables) is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. If a customer pays consideration or the Company has a right to an amount of consideration that is unconditional, before the Company transfers a good or service to the customer, the Customer presents the contract as a contract liability (deferred income) when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A receivable is recorded when the Company has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Voyage charter freight income

Voyage charter freight income is recognised over time as the performance obligation is satisfied, based on an estimation of the proportion of the voyage period on a load to discharge basis. Full provision is made for any losses on voyages in progress at the reporting date.

Demurrage income

Demurrage income is recognised over time based on the most likely value amount method receivable from charterers.

2 Significant Accounting Policies (cont'd)

(d) Revenue Recognition (cont'd)

Time and bareboat charter income

Time charter and bareboat charter income is recognised over time on a time-apportioned basis. Provision is made for all charter-hire receivables on the reporting date in respect of time charter voyages in progress.

Pool revenue and expenses

Pool revenue is generated based on voyage returns adjusted for off-hire days and pool score allocated to each vessel on entry into the Pools. Pool revenue and voyage expenses are recognised in accordance with the earnings allocated to the Company's vessels.

(e) Operating Leases

Operating Leases - Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. This is from bareboat and time charter agreements under non-cancellable operating leases. These are recognised as an expense in profit or loss.

Operating Leases - Where the Company is the lessor

Income from vessels chartered out under time charter and bareboat charter agreements is recognised in profit or loss during the year as part of revenue.

(f) Jointly-Controlled Operations

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company recognises in relation to its interest in the jointly controlled operations, its share of expenses incurred and income earned. These joint ventures do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the Company.

(g) Inventories

Inventories, comprising bunkers and lube oils on board vessels, are stated at the lower of cost or net realisable value. Cost is calculated using the first-in-first-out basis.

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

(h) Financial Assets

Accounting policies are applicable from 1 April 2018

Classification and Measurement

The Company classifies its financial assets at amortised costs and FVOCI.

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 cash and cash equivalents, trade and other receivables and accrued 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.

The Company subsequently measures all its equity investments at their fair values. The Company has elected to classify the investments as fair value through other comprehensive income. Dividends from equity investments are recognised in profit or loss.

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.

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

(h) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Impairment (cont'd)

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

Simplified approach - Trade receivables (including accrued receivables)

The Company applies the simplified approach to provide expected credit losses for all trade receivables as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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.

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.

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

(h) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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. On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Accounting policies are applicable until 31 March 2018

Financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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

(h) Financial Assets (cont'd)

Accounting policies are applicable until 31 March 2018 (cont'd)

Loans and receivables and bank balances

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "bank balances" on the statement of financial position.

Trade and other receivables

Trade and other receivables, including amounts due from related parties and ultimate holding company, are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

Derivative financial instruments

Derivative financial instruments are financial assets held for trading. They are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

(i) Cash and cash equivalents

Bank balances comprises short-term bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(j) 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.

(k) Trade and other payables

Trade and other payables, including amounts due to related parties and ultimate holding company, are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

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

(l) Provisions

A 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.

Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(m) 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.

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);

2 Significant Accounting Policies (cont'd)

(m) Related Parties (cont'd)

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 and assumptions 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 (including accrued receivables)

The Company measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(h) to the financial statements. This assessment is based on the credit history of its customers and other debtors and current market conditions. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying amounts of the Company's trade, other receivables and accrued receivables as of 31 March 2019 amounted to US$36.2 million (2018: US$29.0 million) respectively. The information about the expected credit losses on the Company's trade, other receivables and accrued receivables is disclosed in Note 20 to the financial statements.

During the financial year ended 31 March 2019, the Company provided an impairment loss on trade receivables of US$237,000 (2018: US$523,000) and a write back of impairment loss of US$180,000 (2018: US$2,567,000).

4 Revenue

	2019 US$'000	2018 US$'000
Performance obligations satisfied over time		
Voyage charter freight income	97,596	51,478
Time and bareboat charter income	27,953	77,919
	125,549	129,397

5 Net Revenue from Pools

The Company participates in the Pools operated by Navig8 Pool Inc, V8 Pool Inc, Navig8 Chemicals Pool Inc and VL8 Pool Inc. in which a large part of the Company's vessels are operationally and commercially managed. Pool revenue is generated based on voyage returns adjusted for off-hire days and the pool score allocated to each vessel on entry into the Pools. Pool revenue and voyage expenses are recognised in accordance with the earnings allocated to the Company's vessels.

The Company has a number of vessels under joint venture agreements with third parties. These are accounted for as jointly-controlled operations (Note 2(f)). The joint agreement is for the Company to charter the vessel and to place it into the pool. The Company and its joint venture partners have agreed to share profits and losses derived from the operations of the vessels on a proportionate basis.

6 Operating Expenses

	2019 US$'000	2018 US$'000
Hire expenses	190,394	202,909
Commission expense	8,383	5,451
Ports, canals and towage	1,125	1,163
Bad debt written off	685	-
Bunkers	442	753
Running costs	-	19
Operating Expenses	201,029	210,295
Impairment loss on trade receivables	237	523
Write back of impairment loss on trade receivables	(180)	(2,567)
Net impairment loss on trade receivables	57	(2,044)
Total operating expenses	201,086	208,251

7 Administrative Expenses

Administrative expenses include the following significant balances:

	2019 US$'000	2018 US$'000
Legal and professional fees	26	10
Service fees	1	21
Bank charges	22	27

8 Other Losses

	2019 US$'000	2018 US$'000
Derivatives trading losses	13	75

Other losses comprise all fair value gains or losses resulting from financial derivatives contracts. All open contracts are marked to market based on settlement prices.

9 Finance Income

	2019 US$'000	2018 US$'000
Interest income	3	2

10 Finance Expense

	2019 US$'000	2018 US$'000
Interest expense	2,790	-

11 Income Tax Expense

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

12 Other Investments

	2019 US$'000	2018 US$'000
Fair value through Other Comprehensive Income:		
Equity security	-*	-*

*Less than US$1,000

12 Other Investments (cont'd)

Details of investments are as follows:

Name	Country of incorporation	Principal activities	Percentage of equity held by the Company 2019	2018
Navig8 ACM VI LLC	Marshall Islands	Ship chartering	5%	5%
Navig8 SG JV LLC	Marshall Islands	Ship chartering	5%	5%

13 Inventories

	2019 US$'000	2018 US$'000
Bunkers	655	123

The bunker costs recognised during the financial year are presented under operating expenses (Note 6). There was no write-down of inventory in both years.

14 Trade, Other Receivables and Prepayments and Accrued Receivables

	2019 US$'000	2018 US$'000
Trade receivables:		
Third parties	8,910	8,355
Related parties	13,910	17,142
Less: Allowance for impairment losses	(6,510)	(6,453)
	16,310	19,044
Other receivables:		
Third parties	484	64
Related parties (non-trade)	8,448	7,253
Accrued income receivables	-	2,629
	8,932	9,946
Prepayments	1,474	1,565
Total trade, other receivables and prepayments	26,716	30,555

The non-trade amounts due from related parties are unsecured, interest-free and repayable in cash on demand. The exposures to credit and currency risks are disclosed in Note 20 to the financial statements.

	2019 US$'000	2018 US$'000
Accrued receivables:		
Freight revenue earned but not billed	10,964	-

14 Trade, Other Receivables and Prepayments and Accrued Receivables (cont'd)

Accrued receivables represent the Company's right to consideration for work completed but not billed at the reporting date. Invoices are billed to customers when the rights become unconditional. The significant changes in the accrued receivables at the reporting date are as follows:

	2019 US$'000	2018 US$'000
Accrued income receivables:		
Accrued receivables reclassified to trade receivables	(2,629)	-
Changes in measurement of progress	10,964	-

15 Bank Balances

	2019 US$'000	2018 US$'000
Cash in bank	14,640	10,216

16 Share Capital

	2019		2018	
	No. of shares	US$	No. of shares	US$
Balance at beginning and end of the financial year	1	1	1	1

There is no par value for these ordinary shares.

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.

17 Trade and Other Payables

	2019 US$'000	2018 US$'000
Trade payables:		
Third parties	1,120	372
Related parties	8,634	10,588
	9,754	10,960
Other payables:		
Related parties (non-trade)	23	15,882
Ultimate holding company (non-trade)	26,164	8,489
Voyage accruals	12,255	6,142
Other payables	11,529	4,282
Due to joint venture partners	18,343	8,571
	78,068	54,326

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

The amount due to joint venture partners are repayable upon receipt of funds related to the relevant time charter.

18 Operating Lease Commitments and Receipts

(a) As Lessee

At the reporting date, the Company has commitments for minimum bareboat and time charter expense under non-cancellable operating leases as follows:

Bareboat and Time Charter

	2019 US$'000	2018 US$'000
Due:		
Within one year	35,371	44,108
Between two to five years	894	3,176
	36,265	47,284

(b) As Lessor

The Company has chartered out a number of vessels under time charter and bareboat charter agreements which are classified as non-cancellable operating leases. These charters have terms ranging from two to five years. As at 31 March, future minimum lease receipts receivable under these charters are as follows:

	2019 US$'000	2018 US$'000
Due:		
Within one year	-	12,001

19 Related Parties

Related parties in the financial statements refer to 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 party balances disclosed in Notes 14 and 17 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$'000	2018 US$'000
With related parties		
Freight income received/receivable	12,229	1,669
Hire income received/receivable	17,446	49,443
Derivatives trading gain received/receivable	583	-
Derivatives trading loss paid/payables	-	(8)
Commissions paid/payable	(5,308)	(5,098)
Hire paid/payable	(90,448)	(41,161)
Bunker expenses paid/payable	(1,181)	(1,256)
Vessel amounts received/receivable	1,521	5,084
Interest paid/payable	(2,790)	-
Fees paid/payable	(1,366)	(3)

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

20 Financial Instruments

(a) Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks: interest rate risk, foreign currency risk, 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) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

20 Financial Instruments

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

(i) Interest rate risk (cont'd)

As the Company has no significant interest bearing assets and liabilities, other than bank deposits totalling US$14,640,000 (2018: US$10,216,000) on variable interest rates, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

Management is of the view that the interest rate risk is not material to warrant disclosure of sensitivity analysis.

(ii) Foreign currency risk

The Company mainly transacts in United States dollar. As such, the Company's exposure to movements in foreign currency is minimal.

The Company does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions as the directors believe that the risks arising from fluctuations in foreign currency exchange rates are not significant.

Management is of the view that the foreign currency risk is not material to warrant disclosure of a sensitivity analysis.

(iii) 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 trade and 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.

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.

20 Financial Instruments

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

(iii) Credit risk (cont'd)

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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 proceed with financial institution counterparties, which are rated A3, 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 Company 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 asset are assessed to be minimal. The gross and net carrying amount of these financial assets are disclosed in Note 14 and Note 15 to the financial statements.

20 Financial Instruments

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

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

Trade receivables and Accrued Receivables

As disclosed in Note 2(h), loss allowance for trade receivables and accrued receivables have been recognised at an amount equal to lifetime expected credit losses. The Company has assessed the financial assets as performing, counterparties have low risk of default and does not have any historical defaults. The provision rates are determined based on the Company's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment.

The gross and net carrying amount of trade receivables are set out in Note 14 to the financial statements. The table below is an analysis of trade receivables at the reporting date:

	Gross carrying amount US$'000	Lifetime expected credit losses US$'000	Net carrying amount US$'000
31 March 2019			
Individual Assessment:			
Third Parties	6,545	(6,495)	50
Collective Assessment:			
Third Parties and Related Parties			
Current	15,919	(12)	15,907
Past due:			
Up to three months	172	(3)	169
More than three months	184	-	184
	22,820	(6,510)	16,310

The movement in allowance for impairment of trade receivables is as follows:

	2019 US$'000	2018 US$'000
Beginning of financial year	6,453	8,497
Allowances for impairment during the year	237	523
Allowances write back during the year	(180)	(2,567)
At end of the financial year (Note 14)	6,510	6,453

The impaired trade receivables arose from long outstanding amounts which remained unpaid at the reporting date and accordingly there are significant uncertainties on the recovery of the amounts.

20 Financial Instruments (cont'd)

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

(iii) Credit risk (cont'd)

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired except for trade and other receivables:

	2018 US$'000
Not past due and not impaired	28,413
Not past due but impaired	565
Past due but not impaired**	577
Past due and impaired	5,888
Total	35,443
Less: Allowance for impairment loss	(6,453)
Trade and other receivables, net	28,990

** Aging of trade receivables that are past due but not impaired:

	2018 US$'000
Past due:	
- Up to three months	400
- More than three months	177
	577

(iv) Liquidity risk

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

No maturity profile of the Company's financial liabilities is shown as they are all due within one year.

20 Financial Instruments (cont'd)

(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 to the Company's approach to capital management during the current and previous financial year.

There were no externally imposed capital requirements that the Company needed to be in compliance with for the financial years ended 31 March 2019 and 2018.

The Company monitors capital based on net debts against equity. This ratio is calculated as net debt divided by equity. Net debt is calculated as total liabilities less liquid assets (i.e., bank balances, trade and other receivables). Total equity comprises all components of shareholder's equity.

	2019 US$'000	2018 US$'000
Total liabilities	78,068	54,326
Less:		
Bank balances	(14,640)	(10,216)
Trade and other receivables (excluding prepayments)	(25,242)	(28,990)
Accrued receivables	(10,964)	-
Net debt	27,222	15,120
Total equity	(25,093)	(13,432)

Based on the above, the Company's total liabilities are higher than its liquid assets as at 31 March 2019 and 2018.

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

(c) Fair Value

Financial instruments including trade and other receivables, accrued receivables, bank balances and trade and other payables are measured at carrying amounts which is a reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

31 MARCH 2019

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NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF THE DIRECTORS

Directors

Gary Paul Brocklesby
Nicolas Busch
Jason Peter Klopfer
Philip Andrew Stone
Robert Maye (appointed on 14 December 2018)

Secretary

Daniel Chung Yan Chu

The directors present their report and the audited financial statements of Navig8 Group Holdings Inc (the "Company") for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 5 September 2019
And signed on its behalf by,

...................................……………...….

ROBERT MAYE

...................................……………...….

PHILIP ANDREW STONE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Group Holdings Inc (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

NAVIG8 GROUP 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 SHAREHOLDERS OF

NAVIG8 GROUP 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 September 2019

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$	2018 US$
Other income	4	12,500	27,500
Administrative expenses	5	(20,820)	(1,930)
Finance income		4	11
(Loss)/ Profit before income tax		(8,316)	25,581
Income tax expense	6	-	-
(Loss)/ Profit for the financial year		(8,316)	25,581
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the financial year		(8,316)	25,581

The accompanying notes form an integral part of the financial statements

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-Current Assets			
Investments in subsidiaries	7	3	3
Current Assets			
Cash and bank balances	8	362	210
TOTAL ASSETS		365	213
EQUITY AND LIABILITIES			
Equity			
Share capital	9	100	100
Accumulated losses		(22,208)	(13,892)
		(22,108)	(13,792)
Current Liabilities			
Other payables	10	22,473	14,005
TOTAL EQUITY AND LIABILITIES		365	213

The accompanying notes form an integral part of the financial statements

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$	Retained Earnings/ (Accumulated Losses) US$	Total US$
Balance as at 1 April 2018	100	(13,892)	(13,792)
Loss for the year	-	(8,316)	(8,316)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	-	(8,316)	(8,316)
Balance as at 31 March 2019	100	(22,208)	(22,108)
Balance as at 1 April 2017	100	(39,473)	(39,373)
Profit for the year	-	25,581	25,581
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	25,581	25,581
Balance as at 31 March 2018	100	(13,892)	(13,792)

The accompanying notes form an integral part of the financial statements

NAVIG8 GROUP HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$	2018 US$
Cash Flows from Operating Activities		
(Loss)/ Profit before income tax	(8,316)	25,581
Adjustment for:		
Interest income	(4)	(11)
Operating cash flows before working capital changes	(8,320)	25,570
Changes in working capital		
Other payables	-	8
Cash (used in)/ generated from operating activities	(8,320)	25,578
Income tax refund	-	1,062
Interest received	4	11
Net cash (used in)/ generated from operating activities	(8,316)	26,651
Cash Flows from Investing Activity		
Investment in subsidiaries	-	801
Net cash generated from investing activity	-	801
Cash Flows from Financing Activity		
Advances from/ (repayment to) related parties	8,468	(40,835)
Net cash generated from/ (used in) financing activity	8,468	(40,835)
Net increase/ (decrease) in cash and cash equivalents	152	(13,383)
Cash and cash equivalents at the beginning of the financial year	210	13,593
Cash and cash equivalents at the end of the financial year (Note 8)	362	210

The reconciliation of movement of liabilities to cash flows arising from financing activity is presented as below:

	Balance at 1 April US$	Cash flows - proceeds / (repayments) US$	Balance at 31 March US$
2019			
Amounts due to related parties (Note 10)	13,636	8,468	22,104
2018			
Amounts due to related parties (Note 10)	54,471	(40,835)	13,636

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 Group 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 is wholly owned by Navig8 TopCo Holdings Inc, a company incorporated in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 13 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(b) Going Concern

The Company generated a net loss of US$8,316 (2018: a net profit of US$25,581) for the financial year ended 31 March 2019, the Company's current liabilities exceeded its current assets by US$22,111 (2018: US$13,795) and the Company has a deficit in net equity of US$22,108 (2018: US$13,792). These factors indicate the existence of an uncertainty which may cast doubt as to whether the Company is able to continue as a going concern. The financial statements have been prepared on a going concern basis as the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(c) 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.

2 Significant Accounting Policies (cont'd)

(c) Functional Currency and Foreign Currency Translation (cont'd)

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.

(d) 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.

(e) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met:

- The Company is itself a wholly owned subsidiary of another Company and all its owners have been informed about, and do not object to, the parent not presenting consolidated financial statements.

- The Company's debt or equity instruments are not publicly traded.

2 Significant Accounting Policies (cont'd)

(e) Consolidation (cont'd)

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met: (cont'd)

- The Company is not in the process of issuing securities to the public.
- The consolidated financial statements are prepared by the Company's ultimate holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

(f) Financial Assets

<u>Accounting policies are applicable from 1 April 2018</u>

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Impairment (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

Accounting policies are applicable until 31 March 2018

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and bank balances" on the statement of financial position.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable until 31 March 2018 (cont'd)

Other receivables

Other receivables are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

(g) Cash and Cash Equivalents

Bank balances comprises cash on hand and short term bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(h) 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.

(i) Other Payables

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

(j) 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)

(j) 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.

4 Other Income

	2019	2018
	US$	US$
Other income	12,500	27,500

5 Administrative Expenses

Administrative expenses included the following significant balance:

	2019	2018
	US$	US$
Legal and professional fees	20,721	1,059

6 Income Tax Expense

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

7 Investment in Subsidiaries

	2019	2018
	US$	US$
Unquoted equity shares, at cost		
At the beginning and end of the financial year	3	3

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company 2019	2018	
		%	%	
(i) Investment holding				
Crew Management Pte Ltd	Singapore	100	100	
Navig8 Commercial Services Ltd	Marshall Islands	100	100	
Navig8 Services Inc *	Marshall Islands	100	100	
Navig8 Technical Management Holding Inc	Marshall Islands	100	100	
Navig8 Bulk Ltd	Jersey	-	77.5	(a)
Navig8 Chemicals Services Ltd	Jersey	65	65	
Navig8 Capital Management Inc	Marshall Islands	100	100	
Navig8 Offshore Inc	Marshall Islands	84	80	(c)
Navig8 Pool Holdings Inc *	Marshall Islands	100	100	

7 Investment in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company		
		2019	2018	
		%	%	
(ii) Ship Chartering				
Navig8 Inc *	Marshall Islands	100	100	
Navig8 Pool Inc	Marshall Islands	100	100	
RK8 Offshore Pool Inc	Marshall Islands	100	100	
V8 Pool Inc	Marshall Islands	100	100	
VL8 Pool Inc	Marshall Islands	100	100	
Navig8 Bulk Pool Inc	Marshall Islands	100	100	
Navig8 Chemicals Pool Inc	Marshall Islands	100	100	
(iii) Brokerage and Commercial management				
Navig8 Asia Pte Ltd	Singapore	100	100	
Navig8 America LLC	USA	100	100	
Navig8 Bulk Europe Ltd	United Kingdom	100	77.5	(b)
Navig8 Bulk Asia Pte Ltd	Singapore	100	77.5	(b)
Navig8 Chemicals Europe Ltd	United Kingdom	65	65	
Navig8 Chemicals Asia Pte Ltd	Singapore	65	65	
Navig8 Chemicals DMCC	UAE	65	65	
Navig8 Chemicals America LLC	USA	65	65	
Navig8 DMCC	Dubai	100	100	
Navig8 Europe Limited	United Kingdom	100	100	
Navig8 Greece Inc	Marshall Islands	100	100	
Navig8 India Private Limited	India	100	100	
VL8 Management Inc	Marshall Islands	100	100	
RK8 Offshore Africa Holdings Ltd	Marshall Islands	84	80	(c)
RK8 Offshore Pte Ltd	Singapore	84	80	(c)
(iv) Risk management				
Navig8 Risk Management Pte Ltd	Singapore	100	100	
(v) Technical management				
Suntech Ship Management Pte Ltd (formerly known as Navig8 Ship Management Pte Ltd)	Singapore	100	100	
Navig8 Ship Management Services Private Limited	India	100	100	
RK8 Offshore Ship Management Pte Ltd	Singapore	84	80	(c)

7 Investment in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows: (cont'd)

* Subsidiaries held directly by the Company.

(a) Liquidated during the current financial year.
(b) During the current financial year, the Company through its subsidiaries acquired the remaining 22.5% interest from a non-controlling party.
(c) During the current financial year, the Company through its subsidiaries acquired 4% interest from a non-controlling party.

8 Cash and Bank Balances

	2019 US$	2018 US$
Cash on hand	100	-
Cash at bank	262	210
	362	210

9 Share Capital

	2019 No. of shares	2019 US$	2018 No. of shares	2018 US$
Issued and fully paid:				
At the beginning and end of the financial year	100	100	100	100

There is no par value for these ordinary shares.

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.

10 Other Payables

	2019 US$	2018 US$
Other payables:		
- Related parties	22,104	13,636
- Accruals	369	369
	22,473	14,005

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

11 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 Note 10 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$	2018 US$
Expenses payable to ultimate holding company	19,918	450

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

12 Financial Instruments

(a) Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks: interest rate risk, 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) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As the Company has no significant interest bearing assets and liabilities, other than bank balances, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

The tables below set out the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by maturity dates.

12 Financial Instruments (cont'd)

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

(i) Interest rate risk (cont'd)

	Variable rates Less than 12 months US$	Non-interest Bearing US$	Total US$
2019			
Assets			
Cash and bank balances	262	100	362
Total financial assets	262	100	362
Liabilities			
Other payables	-	(22,473)	(22,473)
Total financial liabilities	-	(22,473)	(22,473)
Net Financial Assets/ (Liabilities)	262	(22,373)	(22,111)
2018			
Assets			
Cash and bank balances	210	-	210
Total financial assets	210	-	210
Liabilities			
Other payables	-	(14,005)	(14,005)
Total financial liabilities	-	(14,005)	(14,005)
Net Financial Assets/ (Liabilities)	210	(14,005)	(13,795)

Management is of the view that the interest rate risk is not material to warrant disclosure of sensitivity analysis.

(ii) 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.

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.

12 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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 proceed with financial institution counterparties, which are rated A3, 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 Company 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 amount of these financial assets are disclosed in Note 8 to the financial statements.

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired except for other receivables.

12 Financial Instruments (cont'd)

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

(iii) 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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year. As disclosed in Note 2(b) to the financial statements, the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(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 2019 and 2018.

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

	2019 US$	2018 US$
Total liabilities	22,473	14,005
Total assets	365	213
Leverage ratio	n.m.	n.m.

n.m. – not meaningful

Based on the above, the Company's liquid liabilities are higher than the total assets as at 31 March 2019 and 2018. The Company maintains a sufficient level of capital for ongoing operations, based on continued support from its ultimate holding company.

12 Financial Instruments (cont'd)

(c) Fair Value

Financial instruments including cash and bank balances, and other payables are measured at carrying amounts which is reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

13 Events after the Reporting Date

Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2019

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

31 MARCH 2019

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NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 Services Inc (the "Company") for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 5 September 2019
And signed on its behalf by,

....

DANIEL CHUNG YAN CHU

....

PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Services Inc (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

NAVIG8 SERVICES 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.

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 SERVICES 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 September 2019

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$	2018 US$
Administrative expenses	4	(1,059)	(928)
Loss before income tax		(1,059)	(928)
Income tax expense	5	-	-
Loss for the financial year		(1,059)	(928)
Other comprehensive income		-	-
Total comprehensive loss for the financial year		(1,059)	(928)

The accompanying notes form an integral part of the financial statements

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-Current Assets			
Investments in subsidiaries	6	802	802
Current Assets			
Cash and bank balances	7	1	1
TOTAL ASSETS		803	803
EQUITY AND LIABILITIES			
Equity			
Share capital	8	1	1
Accumulated losses		(2,791)	(1,732)
		(2,790)	(1,731)
Current Liabilities			
Other payables	9	3,593	2,534
TOTAL EQUITY AND LIABILITIES		803	803

The accompanying notes form an integral part of the financial statements

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$	Accumulated Losses US$	Total US$
Balance as at 1 April 2018	1	(1,732)	(1,731)
Loss for the year	-	(1,059)	(1,059)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	-	(1,059)	(1,059)
Balance as at 31 March 2019	1	(2,791)	(2,790)
Balance as at 1 April 2017	1	(804)	(803)
Loss for the year	-	(928)	(928)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	-	(928)	(928)
Balance as at 31 March 2018	1	(1,732)	(1,731)

The accompanying notes form an integral part of the financial statements

NAVIG8 SERVICES INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$	2018 US$
Cash Flows from Operating Activities		
Loss before income tax	(1,059)	(928)
Operating cash flows before working capital changes	(1,059)	(928)
Changes in working capital		
Other payables	-	14
Net cash used in operating activities	(1,059)	(914)
Cash Flows from Investing Activity		
Investment in subsidiaries	-	(802)
Net cash used in investing activity	-	(802)
Cash Flows from Financing Activity		
Advances from related parties	1,059	1,716
Net cash generated from financing activity	1,059	1,716
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	1	1
Cash and cash equivalents at the end of the financial year (Note 7)	1	1

The reconciliation of movement of liabilities to cash flows arising from financing activity is presented as below:

	Balance at 1 April US$	Cash flows - proceeds (net) US$	Balance at 31 March US$
2019			
Advances from related parties (Note 9)	2,166	1,059	3,225
2018			
Advances from related parties (Note 9)	450	1,716	2,166

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 Services 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 is wholly owned by Navig8 Group Holdings Inc, a company incorporated in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 11 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(b) Going Concern

The Company generated a net loss of US$1,059 (2018: US$928) for the financial year ended 31 March 2019, the Company's current liabilities exceeded its current assets by US$3,592 (2018: US$2,533) and the Company has a deficit in net equity of US$2,790 (2018: US$1,731). These factors indicate the existence of an uncertainty which may cast doubt as to whether the Company is able to continue as a going concern. The financial statements have been prepared on a going concern basis as the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(c) 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.

2 Significant Accounting Policies (cont'd)

(c) Functional Currency and Foreign Currency Translation (cont'd)

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.

(d) 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.

(e) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met:

- The Company is itself a wholly owned subsidiary of another Company and all its owners have been informed about, and do not object to, the parent not presenting consolidated financial statements.

- The Company's debt or equity instruments are not publicly traded.

2 Significant Accounting Policies (cont'd)

(e) Consolidation (cont'd)

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met: (cont'd)

- The Company is not in the process of issuing securities to the public.

- The consolidated financial statements are prepared by the Company's holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

(f) Financial Assets

Accounting policies are applicable from 1 April 2018

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Impairment (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

Accounting policies are applicable until 31 March 2018

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" on the statement of financial position.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Other receivables

Other receivables are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

(g) Cash and Bank Balances

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

(h) 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.

(i) Other Payables

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

(j) 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)

(j) 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.

4 Administrative Expenses

Administrative expenses included the following significant balance:

	2019 US$	2018 US$
Professional fees	1,052	908

5 Income Tax Expense

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

6 Investment in Subsidiaries

	2019 US$	2018 US$
Unquoted equity shares, at cost		
At the beginning and end of the financial year	802	802

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ domiciliation	Percentage of effective equity interest held by the Company 2019 %	2018 %	
(i) Investment holding				
Crew Management Pte Ltd	Singapore	100	100	
Navig8 Commercial Services Ltd*	Marshall Islands	100	100	
Navig8 Services Inc	Marshall Islands	100	100	
Navig8 Technical Management Holding Inc*	Marshall Islands	100	100	
Navig8 Bulk Ltd	Jersey	-	77.5	(a)
Navig8 Capital Management Inc	Marshall Islands	100	100	
Navig8 Offshore Inc*	Marshall Islands	84	80	(c)
(ii) Brokerage and Commercial management				
Navig8 Asia Pte Ltd	Singapore	100	100	
Navig8 America LLC	USA	100	100	
Navig8 Bulk Europe Ltd	United Kingdom	100	77.5	(b)
Navig8 Bulk Asia Pte Ltd	Singapore	100	77.5	(b)
Navig8 Chemicals Europe Ltd	United Kingdom	65	65	
Navig8 Chemicals Asia Pte Ltd	Singapore	65	65	
Navig8 Chemicals DMCC	UAE	65	65	

6 Investment in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation/ domiciliation	Percentage of effective equity interest held by the Company		
		2019	2018	
		%	%	
(ii) Brokerage and Commercial management (cont'd)				
Navig8 Chemicals America LLC	USA	65	65	
Navig8 DMCC	Dubai	100	100	
Navig8 Europe Limited	United Kingdom	100	100	
Navig8 Greece Inc	Marshall Islands	100	100	
Navig8 India Private Limited	India	100	100	
VL8 Management Inc	Marshall Islands	100	100	
RK8 Offshore Africa Holdings Ltd	Marshall Islands	84	80	(c)
RK8 Offshore Pte Ltd	Singapore	84	80	(c)
(iii) Risk management				
Navig8 Risk Management Pte Ltd	Singapore	100	100	
(iv) Technical management				
Suntech Ship Management Pte Ltd (formerly known as Navig8 Ship Management Pte Ltd)	Singapore	100	100	
Navig8 Ship Management Services Private Limited	India	100	100	
RK8 Offshore Ship Management Pte Ltd	Singapore	84	80	(c)

* Subsidiaries held directly by the Company

(a) Liquidated during the current financial year.
(b) During the current financial year, the Company acquired the remaining 22.5% interest from a non-controlling party.
(c) During the current financial year, the Company through its subsidaiires acquired 4% interest from a non-controlling party.

7 Cash and Bank Balances

	2019 US$	2018 US$
Cash on hand	1	1

8 Share Capital

	2019 No. of shares	2019 US$	2018 No. of shares	2018 US$
Issued and fully paid:				
At the beginning and end of the financial year	1	1	1	1

There is no par value for these ordinary shares.

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.

9 Other Payables

	2019 US$	2018 US$
Other payables:		
- Related parties (non-trade)	3,225	2,166
- Accruals	368	368
	3,593	2,534

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

10 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 7 and 9 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$	2018 US$
Expenses payable to ultimate holding company	1,059	1,364

10 Related Parties (cont'd)

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

11 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.

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

11 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

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 Company 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 amount of these financial assets are disclosed in Note 7 to the financial statements.

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired.

(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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year. As disclosed in Note 2(b) to the financial statements, the ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due.

(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.

11 Financial Instruments (cont'd)

(b) Capital Risk Management (cont'd)

There were no externally imposed capital requirements that the Company needed to be in compliance with for the financial years ended 31 March 2019 and 2018.

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

	2019 US$	2018 US$
Total liabilities	3,593	2,534
Total assets	803	803
Leverage ratio	n.m.	n.m.

n.m. – not meaningful

Based on the above, the Company's liquid liabilities are higher than the total assets as at 31 March 2019 and 2018. The Company maintains a sufficient level of capital for ongoing operations, based on continued support from its ultimate holding company.

(c) Fair Value

Financial instruments including other payables are measured at carrying amounts which is reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

12 Events after the Reporting Date

Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 Technical Management Holdings Inc (the "Company") for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF DIRECTORS (CONTINUED)

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.

The report of the directors was authorised by the Board on 6 September 2019
And signed on its behalf by,

…………………………………………
DANIEL CHUNG YAN CHU

…………………………………………
PHILIP ANDREW STONE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Technical Management Holdings Inc (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

NAVIG8 TECHNICAL MANAGEMENT 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 SHAREHOLDERS OF

NAVIG8 TECHNICAL MANAGEMENT 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
6 September 2019

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$	2018 US$
Share of profit in associated companies		1,022,191	386,721
Administrative expenses	4	(1,437)	(8,685)
Profit before income tax		1,020,754	378,036
Income tax expense	5	-	-
Profit after income tax		1,020,754	378,036
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,020,754	378,036

The accompanying notes form an integral part of the financial statements

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-Current Assets			
Interests in associates	6	1,114,570	950,756
Investments in subsidiaries	7	2	2
		1,114,572	950,758
Current Assets			
Amount due from the ultimate holding company	8	791,579	-
Cash and bank balances	9	1	1
		791,580	1
TOTAL ASSETS		1,906,152	950,759
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1	1
Retained earnings		1,905,411	884,657
		1,905,412	884,658
Current Liabilities			
Other payables	11	740	66,101
TOTAL EQUITY AND LIABILITIES		1,906,152	950,759

The accompanying notes form an integral part of the financial statements

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$	Retained Earnings US$	Total US$
Balance as at 1 April 2018	1	884,657	884,658
Profit for the year	-	1,020,754	1,020,754
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	1,020,754	1,020,754
Balance as at 31 March 2019	1	1,905,411	1,905,412
Balance as at 1 April 2017	1	506,621	506,622
Profit for the year	-	378,036	378,036
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	378,036	378,036
Balance as at 31 March 2018	1	884,657	884,658

The accompanying notes form an integral part of the financial statements

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$	2018 US$
Cash Flows from Operating Activities		
Profit before income tax	1,020,754	378,036
Adjustment for:		
Share of profits in associated companies	(1,022,191)	(386,721)
Operating cash flows before working capital changes	(1,437)	(8,685)
Changes in working capital		
Other payables	5	86
Net cash used in operating activities	(1,432)	(8,599)
Cash Flows from Investing Activities		
Investment in an associate	-	(6,193)
Investment in subsidiaries	-	(1)
Net cash used in investing activities	-	(6,194)
Cash Flows from Financing Activity		
Advances from the ultimate holding company	1,432	14,794
Net cash generated from financing activity	1,432	14,794
Net increase in cash and cash equivalents	-	1
Cash and cash equivalents at the beginning of the financial year	1	-
Cash and cash equivalents at the end of the financial year (Note 9)	1	1

The reconciliation of movement of liabilities to cash flows arising from financing activity is presented as below:

	Balance at 1 April US$	Cash flows - proceeds (net) US$	Non-cash transactions US$	Balance at 31 March US$
2019				
Advances from/ (repayment to) the ultimate holding company (Note 8)	65,366	1,432	(858,377)	(791,579)
2018				
Advances from/ (repayment to) the ultimate holding company (Note 11)	636,427	14,794	(585,854)	65,367

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 Technical Management 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 is wholly owned by Navig8 Services Inc, a company incorporated in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 11 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures*

The amendments clarify that IFRS 9 Financial Instruments, including its impairment requirements, applies to long-term interests in an associate or joint venture to which the equity method is not applied but, in substance, form part of the net investment in associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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

Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(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.

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.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

Translation and balances (cont'd)

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 Associates

Associate companies are entities over which the Company has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associate companies are accounted for in the financial statements using the equity method of accounting less impairment losses, if any.

Equity method of accounting

In applying the equity method of accounting, the Company's share of its associate companies' post acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associate companies are adjusted against the carrying amount of the investments. When the Company's share of losses in an associate company equals to or exceeds its interest in the associate company, including any other unsecured non-current receivables, the Company does not recognise further losses, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate company. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits are equal to the share of losses not recognised.

Disposals

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Company retains an interest in the former associate and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

2 Significant Accounting Policies (cont'd)

(d) 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.

(e) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met.

- The Company is itself a wholly owned subsidiary of another Company and all its owners have been informed about, and do not object to, the parent not presenting consolidated financial statements.

- The Company's debt or equity instruments are not publicly traded.

- The Company is not in the process of issuing securities to the public.

- The consolidated financial statements are prepared by the Company's ultimate holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

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

(f) Financial Assets

Accounting policies are applicable from 1 April 2018

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

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.

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.

<u>Accounting policies are applicable until 31 March 2018</u>

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and bank balances" on the statement of financial position.

Other receivables

Other receivables, including amounts due from ultimate holding company, are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

(g) 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.

2 Significant Accounting Policies (cont'd)

(h) Other Payables

Other payables, including amounts due to ultimate holding company, are initially measured at fair value, and are subsequently carried at amortised cost, using the effective interest rate method.

(i) 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.

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, except as follows:

Loss allowances for receivables

The Company measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(f) to the financial statements. This assessment is based on the credit history of its customers and other debtors and the current market condition. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying value of the Company's amount due from the ultimate holding company as at 31 March 2019 amounted to US$791,579 (2018: US$Nil). The information about the expected credit losses on the Company's other receivables is disclosed in Note 13 to the financial statements.

4 Administrative Expenses

Administrative expenses included the following significant balance:

	2019 US$	2018 US$
Legal and professional fees	1,428	8,648

5 Income Tax Expense

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

6 Interests in Associates

	2019 US$	2018 US$
At 1 April		
Cost of investments	568,897	568,897
Share of profits in associates	1,989,904	967,713
Share of dividends	(1,444,231)	(585,854)
At 31 March	1,114,570	950,756
Representing:		
At 1 April	950,756	1,143,696
Additions	-	6,193
Share of current financial year's profit	1,022,191	386,721
Share of dividend paid	(858,377)	(585,854)
At 31 March	1,114,570	950,756

Details of the associates are as follows:

Name of associates	Country of incorporation	Percentage of effective equity interest held by the Company 2019 %	2018 %	Note
TB Marine Shipmanagement GmbH & Co. KG	Germany	50	50	(a)
Cassiopeia Shipmangement (Cyprus) Ltd	Cyprus	20	20	(a)
GCC German Crew Center GmbH	Germany	20	20	(a)

(a) The reporting date of the companies is 31 December. For the purpose of applying the equity method of accounting, the financial statements of the companies for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2019.

The following table summarises the financial information in respect of the material associate. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

TB Marine Shipmanagement GmbH & Co. KG

	2019 US$	2018 US$
Current assets	1,726,036	1,593,112
Non-current assets	722,708	747,493
Current liabilities	691,039	434,145

6 Interests in Associates (cont'd)

	2019 US$	2018 US$
Revenue	7,416,448	7,045,183
Profit from continuing operations	1,428,841	582,246
Total comprehensive income	1,428,841	582,246

Reconciliation of the above summarised financial information to the carrying amount of the interest in TB Marine Shipmanagement GmbH &Co. KG recognised in the financial statements

	2019 US$	2018 US$
Net assets of TB Marine Shipmanagement GmbH &Co. KG	1,757,705	1,906,460
Proportion of the Company's ownership	50%	50%
Carrying amount of the Company's interest	878,853	953,230

The following table summarises, in aggregate, the Company's share of profit and other comprehensive income of the Company's individual immaterial associated companies accounted for using the equity method:

	2019 US$	2018 US$
The Company's share of:		
Profit from continuing operations	403,053	167,684
Other comprehensive income	-	-
Total comprehensive income	403,053	167,684
Aggregate carrying amount of the Company's interests in these associates	235,717	(2,474)

7 Investments in Subsidiaries

	2019 US$	2018 US$
Unquoted equity shares, at cost		
Balance as at the end of the financial year	2	2

7 Investments in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Percentage of effective equity interest held by the Company	
		2019	2018
		%	%
Crew Management Pte Ltd	Singapore	100	100
Suntech Ship Management Pte Ltd (formerly known as Navig8 Ship Management Pte Ltd)	Singapore	100	100

8 Amount due from the Ultimate Holding Company

	2019	2018
	US$	US$
Amount due from the ultimate holding company	791,579	-

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

9 Cash and Bank Balances

	2019	2018
	US$	US$
Cash on hand	1	1

10 Share Capital

	2019		2018	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At the beginning and end of the financial year	1	1	1	1

There is no par value for these ordinary shares.

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.

11 Other Payables

	2019 US$	2018 US$
Other payables:		
- Accruals	738	733
- Amounts due to related parties	2	2
- Amount due to the ultimate holding company	-	65,366
	740	66,101

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

12 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 8 and 11 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$	2018 US$
Dividends receivable from associated companies	(858,377)	(575,854)
Expenses payable to ultimate holding company	1,432	14,794

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

13 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.

13 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

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.

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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

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 Company 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 asset are assessed to be minimal. The gross and net carrying amount of these financial assets are disclosed in Note 8 and Note 9 to the financial statements.

13 Financial Instruments (cont'd)

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

(i) Credit risk (cont'd)

IAS 39 - Financial assets that are neither past due nor impaired and financial assets that are past due and/or impaired

As at 31 March 2018, there are no other classes of financial assets that are past due but not impaired except for other receivables.

(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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year.

(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 2019 and 2018.

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

	2019	2018
	US$	US$
Total liabilities	740	66,101
Total assets	1,906,152	950,759
Leverage ratio	0%	7%

The Company maintains a sufficient level of capital for ongoing operations.

13 Financial Instruments (cont'd)

(c) Fair Value

Financial instruments including other receivables, and other payables are measured at carrying amounts which is reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

14 Events after the Reporting Date

(a) Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

(b) On 15 May 2019, the Company disposed a 50% interest in Suntech Ship Management Pte Ltd. to a third party.

NAVIG8 TECHNICAL MANAGEMENT HOLDINGS INC
(Incorporated in the Marshall Islands)

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NAVIG8 COMMERCIAL SERVICES LIMITED
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT OF THE DIRECTORS

Directors

Daniel Chung Yan Chu (appointed on 25 June 2018)
Jason Peter Klopfer
Philip Andrew Stone

Secretary

Daniel Chung Yan Chu (appointed on 25 June 2018)

The directors present their report and the audited financial statements of Navig8 Commercial Services Limited (the "Company") for the financial years ended 31 March 2019 and 31 March 2018.

Principal Activities

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

Results for the Year

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

Directors Responsibilities

The directors are responsible for preparing the financial statements of the Company for the financial years ended 31 March 2019 and 31 March 2018 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.

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.

The report of the directors was authorised by the Board on 5 September 2019
And signed on its behalf by,

....…
DANIEL CHUNG YAN CHU

....…
PHILIP ANDREW STONE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled in the Marshall Islands)

Opinion

We have audited the financial statements of Navig8 Commercial Service Limited (the "Company") which comprise the statement of financial position as at 31 March 2019 and 31 March 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years 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 2019 and 31 March 2018 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 Report of 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 SHAREHOLDERS OF

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled 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 SHAREHOLDERS OF

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 September 2019

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled in the Marshall Islands)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
Other income	4	3,250	28,550
Administrative expenses	5	(27)	(19)
Finance income		-*	-*
Profit before income tax		3,223	28,531
Income tax expense	6	-	-
Profit for the financial year		3,223	28,531
Other comprehensive income		-	-
Total comprehensive income for the financial year		3,223	28,531

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled in the Marshall Islands)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Investment in subsidiaries	7	8,086	8,086
Current Assets			
Amount due from the ultimate holding company	8	112,390	103,340
Cash and bank balances	9	22	20,128
		112,412	123,468
TOTAL ASSETS		120,498	131,554
EQUITY AND LIABILITIES			
Equity			
Share capital	10	-*	-*
Retained earnings		113,265	110,042
		113,265	110,042
Non-Current Liabilities			
Bank loan	11	-	5,170
Current Liabilities			
Bank loan	11	5,170	14,480
Other payables	12	2,063	1,862
		7,233	16,342
TOTAL EQUITY AND LIABILITIES		120,498	131,554

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled in the Marshall Islands)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share Capital US$'000	Retained Earnings US$'000	Total US$'000
Balance as at 1 April 2018	-*	110,042	110,042
Profit for the year	-	3,223	3,223
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	3,223	3,223
Balance as at 31 March 2019	-*	113,265	113,265
Balance as at 1 April 2017	-*	81,511	81,511
Profit for the year	-	28,531	28,531
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	28,531	28,531
Balance as at 31 March 2018	-*	110,042	110,042

*Less than US$1,000

The accompanying notes form an integral part of the financial statements

NAVIG8 COMMERCIAL SERVICES LIMITED
(Domiciled in the Marshall Islands)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$'000	2018 US$'000
Cash Flows from Operating Activities		
Profit before income tax	3,223	28,531
Adjustments for:		
Dividend income	(3,250)	(28,550)
Operating cash flow before working capital changes	(27)	(19)
Changes in working capital		
Other payables	(349)	350
Net cash (used in)/ generated from operating activities	(376)	331
Cash Flows from Investing Activities		
Advances to/(repayment from) the ultimate holding company	9,050	(13,443)
Dividends received	3,250	28,550
Net cash generated from investing activities	12,300	15,107
Cash Flows from Financing Activities		
(Repayment)/ Proceeds of bank loans	(14,480)	4,528
Advances from related parties	550	-
Net cash (used in)/ generated from financing activities	(13,930)	4,528
Net (decrease)/increase in cash and cash equivalents	(20,106)	19,966
Cash and cash equivalents at the beginning of the financial year	20,128	162
Cash and cash equivalents at the end of the financial year (Note 9)	22	20,128

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

	Balance at 1 April US$'000	Cash flows – proceeds/ (repayment) US$'000	Balance at 31 March US$'000
2019			
Advances from related parties (Note 12)	1,501	550	2,051
Bank loan (Note 11)	19,650	(14,480)	5,170
2018			
Bank loan (Note 11)	15,122	4,528	19,650

The accompanying notes form an integral part of the financial statements

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

1 General

Navig8 Commercial Services Limited (the "Company") is a private company domiciled in the Marshall Islands. The address of its registered office is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

On 26 June 2018 the Company changed its name from Navig8 Services Limited to Navig8 Commercial Services Limited.

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

The Company is wholly owned by Navig8 Services Inc, a company incorporated and domiciled in the Marshall Islands. 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 which are Effective

The Company has adopted the following revised and amended IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of these IFRSs has had no material financial impact on the financial performance and financial position of the Company.

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

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 April 2018.

In accordance with the transitional provisions in IFRS 9 paragraph 7.2.15 and 7.2.26, comparative figures have not been restated. Accordingly, requirements of IAS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

Changes in accounting policies resulting from the adoption of IFRS 9 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- If a debt instrument has low credit risk at 1 April 2018, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies for financial liabilities.

Details of their impact on the Company's financial statements as well as the new requirements are described below.

i) Classification and measurement of financial assets

Under IFRS 9, financial assets of the Company are classified and measured at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

On 1 April 2018 (the date of initial application of IFRS 9), the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised IFRS which are Effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

i) Classification and measurement of financial assets (cont'd)

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policy for financial assets and liabilities except that trade and other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

ii) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of IFRS 9 impairment requirements at 1 April 2018 did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 18 to the financial statements.

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 new or amended IFRSs that have been issued and which are relevant to the Company, but are not yet effective.

IFRS 16 *Leases*

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. 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. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no impact on the financial performance or the financial position of the Company upon implementation.

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 IFRS 9 — *Prepayment Features with Negative Compensation and Modifications of Financial Liabilities*

The amendments provide an exception for entities to measure particular financial assets with prepayment features that could result in negative compensation (i.e. prepayment amount that is substantially less than unpaid amounts of principal and interest) at amortised cost or fair value through other comprehensive income, subject to an assessment of the business model. The amendments also clarify that an entity should recognise a gain or loss in profit or loss immediately at the date of modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

Improvements to IAS 23 — *Borrowing Costs*

This amendment clarifies that after a qualifying asset is ready for its intended use or sale, any outstanding borrowings made specifically to obtain that qualifying asset should be included within the pool of general borrowings used to calculate capitalised borrowing costs. The standard is effective from 1 January 2019. The standard is effective for annual periods beginning on or after 1 January 2019. At the date of this report, management is of the view that the adoption of this standard will have no material impact on the financial performance or the financial position of the Company upon implementation.

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. Management is in the process of assessing the impact on the financial performance or financial position of the Company.

(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.

2 Significant Accounting Policies (cont'd)

(b) Functional Currency and Foreign Currency Translation (cont'd)

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.

(d) Consolidation

All subsidiaries should be consolidated. A subsidiary is an entity that is controlled by the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when the investor directly or indirectly holds more than 50% of the investee's voting power; this presumption may be rebutted if there is clear evidence to the contrary. Control may also exist where less than 50% of the investee's voting power is held and the parent has the power to control through for example control of the board of directors.

Consolidation of a subsidiary takes place from the date of acquisition; this is the date on which control of the acquiree's net assets and operations is effectively transferred to the acquirer. A consolidated financial statement is prepared to show the effect as if the parents and all the subsidiaries were one entity. Transactions within the group (for example, sales from one subsidiary to another) are eliminated.

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met:

- The Company is itself a wholly owned subsidiary of another Company and all its owners have been informed about, and do not object to, the parent not presenting consolidated financial statements.

- The Company's debt or equity instruments are not publicly traded.

2 Significant Accounting Policies (cont'd)

(d) Consolidation (cont'd)

Consolidated financial statements of the Company and its subsidiaries are not prepared as all the following conditions are met: (cont'd)

- The Company is not in the process of issuing securities to the public.
- The consolidated financial statements are prepared by the Company's ultimate holding company, Navig8 Limited, a company domiciled in the Bermuda, whose registered office is 5th Fl, 41 Cedar Avenue, Hamilton HM12, Bermuda. Navig8 Ltd's financial statements are available for public use.

(e) Financial Assets

Accounting policies are applicable from 1 April 2018

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 cash and cash equivalents and 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.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

Impairment (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

Accounting policies are applicable from 1 April 2018 (cont'd)

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.

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.

Accounting policies are applicable until 31 March 2018

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and bank balances" on the statement of financial position.

2 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

Accounting policies are applicable until 31 March 2018 (cont'd)

Other receivables

Other receivables, including amounts due from ultimate holding company, are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. An impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

(f) Cash and Cash Equivalents

Bank balances comprises short term bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(g) 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.

(h) Other Payables and Short-Term Borrowing

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

(i) 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)

(i) Related Parties (con't)

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, judgmentsand assumptions 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, except as follows:

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

Loss allowance for receivables

The Company measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 2(e) to the financial statements. This assessment is based on the credit history of its customers and other debtors and current market conditions. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

The carrying amounts of the Company's amount due from ultimate holding company as at 31 March 2019 amounted to US$112 million (2018: US$103 million). The information about the expected credit losses on the Company's other receivables is disclosed in Note 14 to the financial statements.

4 Other Income

	2019 US$'000	2018 US$'000
Dividend received from a subsidiary	3,250	28,550

5 Administrative Expenses

Administrative expenses included the following significant balances:

	2019 US$'000	2018 US$'000
Legal and professional fees	26	19

6 Income Tax Expense

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

7 Investment in Subsidiaries

	2019 US$'000	2018 US$'000
Unquoted equity shares, at cost		
At the beginning and end of the financial year	8,086	8,086

7 Investment in Subsidiaries (cont'd)

The details of the principal subsidiaries are as follows:

Name of subsidiary	Country of Incorporation/ domiciliation	Percentage of effective equity interest held by the Company 2019 %	2018 %	
(i) Investment holding				
Navig8 Bulk Ltd	Jersey	-	77.5	(a), (c)
Navig8 Chemical Services Ltd	Marshall Islands	65	65	(c)
Navig8 Capital Management Inc	Marshall Islands	100	100	(c)
(ii) Brokerage and Commercial management				
Navig8 Asia Pte Ltd	Singapore	100	100	(c)
Navig8 Bulk Europe Ltd	United Kingdom	100	77.5	(b), (c)
Navig8 Bulk Asia Pte Ltd	Singapore	100	77.5	(b), (c)
Navig8 Chemicals Europe Ltd	United Kingdom	65	65	
Navig8 Chemicals Asia Pte Ltd	Singapore	65	65	
Navig8 Chemicals DMCC	Dubai	65	65	
Navig8 Chemicals America LLC	USA	65	65	
Navig8 DMCC	Dubai	100	100	(c)
Navig8 Europe Limited	United Kingdom	100	100	(c)
Navig8 Greece Inc	Marshall Islands	100	100	(c)
Navig8 India Private Limited	India	100	100	(c)
VL8 Management Inc	Marshall Islands	100	100	(c)
(iii) Risk management				
Navig8 Risk Management Pte Ltd	Singapore	100	100	(c)

(a) Liquidated during the current financial year.
(b) During the current financial year, the Company acquired the remaining 22.5% interest from a non-controlling party.
(c) Interests in these subsidiaries are held directly by the Company.

8 Amount due from the Ultimate Holding Company

	2019 US$'000	2018 US$'000
Amount due from the ultimate holding company	112,390	103,340

The non-trade amount due from the ultimate holding company includes an unsecured loan amounting to US$5.2 million (2018: US$19.7 million) that bears interest of 8% (2018: 7%) per annum and is repayable on demand. The remaining non-trade amount due from the ultimate holding company is unsecured and repayable in cash on demand.

9 Cash and Bank Balances

	2019 US$'000	2018 US$'000
Cash at bank	22	20,128

10 Share Capital

	2019		2018	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Issued and fully paid:				
At the beginning and end of the financial year	10	-*	10	-*

There is no par value for these ordinary shares.

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.

11 Bank Loan

	2019 US$'000	2018 US$'000
Bank loan		
- Non-current	-	5,170
- Current	5,170	14,480
	5,170	19,650

The weighted average interest rate for the bank loan is 8% per annum (2018: 7% per annum) with maturity period of 1 year (2018: 2 years). The bank loan is secured by a corporate guarantee from the ultimate holding company, Navig8 Limited.

There were no defaults or breaches of loan agreement terms during the financial year.

12 Other Payables

	2019 US$'000	2018 US$'000
Other payables		
- Related parties (non-trade)	2,051	1,501
- Accruals	12	361
	2,063	1,862

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

13 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 8 and 12 to the financial statements, the following transactions took place between the Company and related parties during the financial year:

	2019 US$'000	2018 US$'000
Dividends received or receivable from related party	3,250	28,550

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

14 Financial Instruments

(a) Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks: interest rate risk, 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) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

14 Financial Instruments (cont'd)

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

(i) Interest rate risk (cont'd)

As the Company has no significant interest bearing assets and liabilities, other than bank balances, amount due from ultimate holding company and bank borrowings, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's policy is to obtain the most favourable interest rates wherever possible and constantly monitor the interest rate movements.

The tables below set out the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by maturity dates.

	Variable rates Less than 12 months US$'000	Variable rates More than 12 months US$'000	Non-interest Bearing US$'000	Total US$'000
2019				
Assets				
Cash and bank balances	22	-	-	22
Amount due from ultimate holding company	112,390	-	-	112,390
Total financial assets	112,412	-	-	112,412
Liabilities				
Bank loans	(5,170)	-	-	(5,170)
Other payables	-	-	(2,063)	(2,063)
Total financial liabilities	(5,170)	-	(2,063)	(7,233)
Net Financial Assets/ (Liabilities)	107,242	-	(2,063)	105,179
2018				
Assets				
Cash and bank balances	20,128	-	-	20,128
Amount due from ultimate holding company	103,340	-	-	103,340
Total financial assets	123,468	-	-	123,468
Liabilities				
Bank loans	(14,480)	(5,170)	-	(19,650)
Other payables	-	-	(1,862)	(1,862)
Total financial liabilities	(14,480)	(5,170)	(1,862)	(21,512)
Net Financial Assets/ (Liabilities)	108,988	(5,170)	(1,862)	101,956

Management is of the view that the interest rate risk is not material to warrant disclosure of sensitivity analysis.

14 Financial Instruments (cont'd)

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

(ii) 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 trade and 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.

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	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired	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	Asset is written off

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 proceed with financial institution counterparties, which are rated A3, based on rating agency ratings. Debt instruments measured at amortised cost are considered low credit risks as the instrument is of a good rating.

14 Financial Instruments (cont'd)

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

(ii) Credit risk (cont'd)

Cash and Cash Equivalents and Other Financial Assets (cont'd)

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 Company 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 amount of these financial assets are disclosed in Note 8 and Note 9 to the financial statements.

(iii) 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.

No maturity profile of the Company's financial liabilities is shown as they are all due within one year.

(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 2019 and 2018.

The Company monitors capital based on a number of measures, including leverage ratio. The leverage ratio is computed as total liabilities over total assets.

14 Financial Instruments (cont'd)

(b) Capital Risk Management (cont'd)

	2019 US$'000	2018 US$'000
Total liabilities	7,233	21,512
Total assets	120,498	131,554
Leverage ratio	6%	16%

The Company maintains a sufficient level of capital for ongoing operations.

(c) Fair Value

Financial instruments including amount due from ultimate holding company, bank balances, other payables and bank loans are measured at carrying amounts which is reasonable approximation of their fair values at 31 March 2019 and 2018 due to their short term maturity.

15 Events after the Reporting Date

Subsequent to the financial year, the Company acts as one of the guarantors for the senior secured bond~~s~~ of US$100 million issued by a related party.

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REGISTERED OFFICE AND ADVISORS

Navig8 Topco Holdings Inc.
Trust Company Complex, Ajeltake Road
Ajeltake Island, Majuro
Marshall Islands, MH96960
Tel: +65 6622 0088
www.navig8group.com

Manager

Pareto Securities AS
Dronning Mauds gate 3
P.O.Box 1411 Vika
NO-0250 Oslo
Norway
Tel: +47 22 87 87 00
www.paretosec.no

Legal Advisor to the Company
(as to Norwegian law)
Advokatfirmaet BAHR AS
Tjuvholmen allé 16
N-0252 Oslo
Norway

Auditor

Moore Stephens LLP