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

REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2021

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

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NAVIG8 TOPCO HOLDINGS INC
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REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR 31 MARCH 2021

Directors

Jason Peter Klopfer
Philip Andrew Stone
Jonathan Keats (Appointed on 19 July 2021)

Secretary

Jonathan Keats

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 2021.

Principal Activities

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

Results for the Year

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

Dividends

A dividend of US$43.0 million (2020: US$4.6 million) was approved by the Board of directors in July 2020 and paid out as an appropriation of retained earnings for the financial year ended 31 March 2020.

Directors Responsibilities

The directors are responsible for preparing the consolidated financial statements of the Group for the financial year ended 31 March 2021 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.

Directors Responsibilities (cont'd)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 26 July 2021
and signed on its behalf by,

....
Jonathan Keats

....
Philip Andrew Stone

MOORE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NAVIG8 TOPCO HOLDINGS INC
(Incorporated in the Marshall Islands)

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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 2021 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 2021, 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
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(cont'd)

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$698.2 million as at 31 March 2021. 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. 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, management concluded that the recoverable amount was higher than the carrying values and no impairment loss has been recognised for the financial year ended 31 March 2021. These conclusions are dependent upon management estimates, judgements and assumptions in respect of: estimated resale values provided by third party sources, estimated utilisation, disposal values, residual values, current and historical charter hire rates, operating costs, recent performance, condition of the vessels and pre-tax discount rates.	**Our response** 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. 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

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(cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 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
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(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
26 July 2021

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 US$'000	2020 US$'000
Revenue	5	2,813,289	3,608,581
Operating expenses	6	(2,653,367)	(3,405,814)
Write back of impairment on trade receivables, net	6	272	1,808
Profit from operations		160,194	204,575
Other income	7	9,574	2,247
Other expenses	8	(7,201)	(207)
Administrative expenses	9	(61,213)	(67,579)
Finance income	10	185	462
Finance costs	11	(50,929)	(52,383)
Share of (losses)/profits in associates	16	(400)	5,132
Share of profits in joint ventures	17	242	938
Profit before income tax		50,452	93,185
Income tax expense	12	(2,006)	(1,952)
Net profit for the year		48,446	91,233
Other comprehensive income:			
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	2,503	6,294
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges – fair value gains/(losses)		1,599	(1,465)
Other comprehensive income, net of tax		4,102	4,829
Total comprehensive income for the financial year		52,548	96,062
Net profit for the year attributable to:			
Owners of the Group		43,752	86,178
Non-controlling interests	24	4,694	5,055
		48,446	91,233
Total comprehensive income attributable to:			
Owners of the Group		47,854	91,007
Non-controlling interests	24	4,694	5,055
		52,548	96,062
Earnings per share			
Basic	35	43,752	86,178
Diluted	35	43,752	86,178

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 US$'000	2020 US$'000
ASSETS			
Non-Current Assets			
Vessels	13	698,248	726,708
Other fixed assets	14	1,507	2,454
Interests in associates	16	36,227	39,620
Interests in joint ventures	17	1,025	3,917
Right-of-use assets	18	86,634	96,640
		823,641	869,339
Current Assets			
Inventories	19	16,574	32,131
Trade and other receivables and prepayments	20	335,575	452,198
Accrued receivables	20	63,222	142,377
Financial assets	15	13,591	4,484
Cash and bank balances	21	160,909	153,488
		589,871	784,678
Total Assets		1,413,512	1,654,017
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	22	1	1
Reserves	23	264,719	270,080
Total equity attributable to the owners of the Group		264,720	270,081
Non-controlling interests	24	13,707	13,614
		278,427	283,695
Non-Current Liabilities			
Bank loan	25	563	1,126
Other borrowings	26	558,092	597,855
Lease liabilities	29	46,614	53,014
		605,269	651,995
Current Liabilities			
Bank loan	25	563	563
Other borrowings	26	38,761	38,428
Lease liabilities	29	41,307	45,996
Short-term borrowings	27	98,453	185,728
Trade and other payables	28	349,805	445,897
Income tax liabilities		927	1,715
		529,816	718,327
Total Liabilities		1,135,085	1,370,322
Total Equity and Liabilities		1,413,512	1,654,017

Director
Jonathan Keats

Director
Philip Andrew Stone

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	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 1 April 2020	1	(4,333)	274,413	270,081	13,614	283,695
Net profit for the year	-	-	43,752	43,752	4,694	48,446
Other comprehensive income	-	4,102	-	4,102	-	4,102
Total comprehensive income for the financial year	-	4,102	43,752	47,854	4,694	52,548
Dividends paid to the ultimate holding company	-	-	(43,000)	(43,000)	-	(43,000)
Dividends paid to non-controlling interest (Note 24)	-	-	-	-	(2,793)	(2,793)
Acquisition of additional interest in subsidiary (Note 4(A))	-	(10,292)	-	(10,292)	(2,479)	(12,771)
Effect of change of interest in subsidiaries	-	709	(632)	77	670	747
Exercise of share options	-	-	-	-	1	1
Balance as at 31 March 2021	1	(9,814)	274,533	264,720	13,707	278,427

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

(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 as at 1 April 2019	1	(9,502)	193,375	183,874	9,172	193,046
Net profit for the year	-	-	86,178	86,178	5,055	91,233
Other comprehensive income	-	4,829	-	4,829	-	4,829
Total comprehensive income for the financial year	-	4,829	86,178	91,007	5,055	96,062
Dividends paid to the ultimate holding company	-	-	(4,600)	(4,600)	-	(4,600)
Dividends paid to non-controlling interest (Note 24)	-	-	-	-	(1,203)	(1,203)
Disposal of interest in subsidiaries (Note 4(A))	-	-	-	-	20	20
Effect of dilution of interest in subsidiaries	-	340	(540)	(200)	562	362
Exercise of share options	-	-	-	-	8	8
Balance as at 31 March 2020	1	(4,333)	274,413	270,081	13,614	283,695

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 US$'000	2020 US$'000
Cash Flows from Operating Activities		
Profit before income tax	50,452	93,185
Adjustments for:		
Depreciation of right-of-use assets	61,294	22,300
Depreciation of vessels, other fixed assets and amortisation of dry-docking costs	31,109	25,774
Interest expense	50,470	51,928
Interest income	(185)	(462)
Impairment loss on trade receivables	4,619	8,052
Write back of impairment loss on trade receivables	(4,891)	(9,860)
Bad debts (write-back)/written off	(173)	5,981
Share of losses/(profits) in associates	400	(5,132)
Share of profits in joint ventures	(242)	(938)
Gain on disposal of other fixed assets	-	(8)
Other fixed assets written off	-	9
Gain on disposal of a group of subsidiaries	-	(39)
Dividend income from financial assets	(29)	(165)
Gain on financial assets	(8,315)	-
Operating cash flows before working capital changes	184,509	190,625
Changes in working capital:		
Inventories	15,557	(6,140)
Trade and other receivables and prepayments (including accrued receivables)	209,581	(128,623)
Trade and other payables	(107,611)	35,883
Cash generated from operations	302,036	91,745
Income tax paid	(2,794)	(2,737)
Interest received	185	462
Interest paid	(50,470)	(51,928)
Net cash generated from operating activities	248,957	37,542
Cash Flows from Investing Activities		
Payments for vessels and dry-docking costs	(2,479)	(290,614)
Purchase of other fixed assets	(315)	(437)
Proceeds from disposal of other fixed assets	-	7
Purchase of financial assets	(13,078)	(5,949)
Proceeds from disposal of financial assets	16,388	14,469
Dividends received from financial assets	29	165
Additional investments in associates and joint ventures	(12)	(7,557)
Dividends received from associates and joint ventures	5,099	2,876
Equity loan repayment from associates	1,100	-
Payment for prepaid tax on share of profits in associates	(60)	(121)
Net cash outflow from disposal of a group of subsidiaries	-	(2,017)
Net cash generated from / (used in) investing activities	6,672	(289,178)

NAVIG8 TOPCO HOLDINGS INC
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

(cont'd)

	2021 US$'000	2020 US$'000
Cash Flows from Financing Activities		
Dividends paid to ultimate holding company	(43,000)	(4,600)
Dividends paid to non-controlling interests	(2,793)	(1,203)
Deposit pledged with financial institutions	9	(99)
Proceeds from exercise of share options	1	8
Acquisition of additional interest in subsidiaries	(12,771)	-
Proceeds from bank loan and other borrowings	-	364,689
(Repayment of)/Proceeds from short-term borrowing	(87,275)	73,430
Repayment of bank loans and other borrowings	(39,993)	(80,873)
Principal payment of lease liabilities	(62,377)	(19,929)
Net cash (used in)/generated from financing activities	(248,199)	331,423
Net increase in cash and bank balances	7,430	79,787
Cash and bank balances at the beginning of the financial year	151,999	72,212
Cash and bank balances at the end of the financial year (Note 21)	159,429	151,999

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 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 ventures (collectively, the "Group") are shipping-related. It includes shipowning and chartering, brokerage and commercial management, bunker trading 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.

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

(a) Basis of Preparation (cont'd)

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.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 April 2020. The Group has elected to apply the practical expedient to early adopt Amendments to IFRS 16 *Leases: Covid-19 Related Rent Concessions*. The adoption of the new and revised IFRSs has had no material financial impact on the financial statements of the Group.

New and Revised IFRS Issued But Not Yet Effective

As at the date of these consolidated financial statements, the Group has not adopted the following amendments to standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to IAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37 *Provisions - Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*	1 January 2022
Annual Improvements to IFRS Standards 2018-2021 Cycle - IFRS 9 *Financial Instruments*	1 January 2022
Amendments to IAS 1 *Classification of Liabilities as Current and Non-Current*	1 January 2023
Amendments to IAS 1, *Disclosure of Accounting Policies and IFRS Practice Statement 2 Making Materiality Judgements*	1 January 2023
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	1 January 2023

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

(a) Basis of Preparation (cont'd)

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

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

- Amendments to IFRS 16 *Covid-19: Related Rent Concessions Beyond 30 June 2021*

The amendments to IFRS 16: Covid-19 related rent concessions which provides a practical expedient to simplify the accounting for lease concessions that meet specified criteria. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification. 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 16 *Property, Plant and Equipment – Proceeds Before Intended Use*

The amendments prohibit an entity deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

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

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

- Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*

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.

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

(a) Basis of Preparation (cont'd)

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

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

This amendment clarifies that, for the purpose of performing the "10 per cent test" in paragraph B3.3.6 of IFRS 9, a borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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

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

- Amendments to IAS 1, *Disclosure of Accounting Policies and IFRS Practice Statement 2 Making Materiality Judgements*

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. To support this amendment, the IASB has also amended IFRS Practice Statement 2 to explain and demonstrate the application of the materiality process to accounting policy disclosures.

- Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a new definition of accounting estimates. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

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

(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.

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.

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

(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.

Bunker trading income

Bunker trading income is recognised at a point in time when the ownership of the bunkers has 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 any pre-voyage 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.

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

(c) Revenue Recognition (cont'd)

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 and securities trading

Gain from derivatives and securities 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 financial year. 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.

2 Significant Accounting Policies (cont'd)

(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. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amount expected to be paid to the tax authorities.

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 has 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.

2 Significant Accounting Policies (cont'd)

(g) Subsidiaries (cont'd)

Consolidation (cont'd)

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 Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3.

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.

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

(g) Subsidiaries (cont'd)

Acquisition of business (cont'd)

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.

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.

(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.

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

(h) Non-Controlling Interest (cont'd)

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 Ventures

Associate 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 ventures 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 ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisitions

Investments in associate companies and joint ventures 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 associate companies and joint ventures 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.

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 or joint venture's profit or loss in the period in which the investment is acquired.

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

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

Equity method of accounting

In applying the equity method of accounting, the Group's share of its associate 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 associate companies and joint ventures are adjusted against the carrying amount of the investments.

When the Group's share of losses in an associate company or joint venture equals to or exceeds its interest in the associate 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 associate 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 associate companies and joint ventures are eliminated to the extent of the Group's interest in the associate companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associate companies and joint ventures 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.

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.

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

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

Disposals (cont'd)

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.

(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.

2 Significant Accounting Policies (cont'd)

(l) Vessels (cont'd)

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.

(n) Other Fixed Assets (including Right-of-use 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.

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

(n) Other Fixed Assets (including Right-of-use assets) (cont'd)

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
Office premises	2-10 years
Time-chartered vessels	2-5 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.

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.

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

(p) Financial Assets

Classification and Measurement

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

- Amortised costs;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

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 entirety when determining whether their cash flows are solely related to 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 categorisation 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.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

Classification and Measurement (cont'd)

Subsequent Measurement (cont'd)

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.

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.

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

(p) Financial Assets (cont'd)

Impairment (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

Impairment (cont'd)

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 amount previously recognised in other comprehensive income relating to that asset.

(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) Leases

- When the Group is the lessee

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

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for re-measurement of lease liabilities. The cost of Right-of-use assets includes the initial measurement of lease liabilities adjusted for any lease payment made at or before the commencement dates, plus any initial direct costs incurred less any lease incentives received. Any initial cost that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. Right-of-use asset is depreciated using the straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. Lease payment relating to these leases are expensed to the income statement on a straight-line basis over the lease term.

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

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

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components.

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

(s) Leases (cont'd)

- When the Group is the lessee (cont'd)

Lease liabilities are measured at amortised cost, and are re-measured when:
- there is a change in future lease payments arising from changes in an index or rate;
- there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a modification to the lease term.

When lease liabilities are re-measured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss.

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

- When the Group is the lessor

Leases where the Group retains a significant portion of the risks and rewards incidental to ownership are classified as operating leases. 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. Contingent rents are recognised as income in the profit or loss when earned.

(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.

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 re-measurement 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 32 to the consolidated financial statement.

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

(t) Financial Liabilities (cont'd)

Financial liabilities at fair value through profit or loss (cont'd)

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.

(u) 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.

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

(u) Government Grants (cont'd)

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 assets are deducted against the carrying amount of the assets.

Government grants relating to expenses are set off against relevant expenses.

(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) Provisions

Pvovisions are recognised when the Group has a present constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(x) Dividends

Dividends are recognised as a liability when declared by the Company's board of directors.

(y) 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.

(z) Derivatives Financial Instruments and Hedging Activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

2 Significant Accounting Policies (cont'd)

(z) Derivatives Financial Instruments and Hedging Activities (cont'd)

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

(aa) 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.

(bb) 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)

(bb) 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 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.

Management has taken into consideration the impact of Covid-19 pandemic and whether there are any indications that these assets may be impacted adversely. If any such indication existed, an estimate was made of the realisable amount and/or fair value of the relevant assets. These 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.

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

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

(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 and right-of-use assets as at 31 March 2021 amounted to US$698.2 million (2020: US$726.7 million) and US$86.6 million (2020: US$96.6 million) respectively. No impairment loss has been recognised for the financial years ended 31 March 2021 and 2020. Further details are given in Notes 13 and 18 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, the Group would have recognised an impairment charge on one of its vessels of US$0.5 million (2020: US$nil) for the financial year ended 31 March 2021.

The carrying amount of the Group's interest in associates and joint ventures as at 31 March 2021 amounted to US$36.2 million (2020: US$39.6 million) and US$1.0 million (2020: US$3.9 million) respectively. No impairment loss has been recognised for the financial years ended 31 March 2021 and 2020. Further details are given in Notes 16 and 17 to the consolidated financial statements.

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

The Group determines the estimated useful lives and related depreciation charges for its vessels, other fixed assets and right-of-use 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.

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 right-of-use assets and residual value of vessels (cont'd)

The carrying amounts of the Group's vessels, other fixed assets and right-of-use assets as at 31 March 2021 was US$786.4 million (2020: US$825.8 million). Further details are given in Notes 13, 14 and 18 to the consolidated financial statements.

If depreciation on the vessels, other fixed assets and right-of-use assets is increased by 10% from management's estimates, the Group's results for the financial year ended 31 March 2021 will decrease by US$9.2 million (2020: US$4.8 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). In making this estimation and judgement, the Group evaluates, among other factors, the ageing analysis of receivables, the financial healthiness and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macro-economic indicators, etc.

The carrying amount of the Group's total trade and other receivables and accrued receivables as at 31 March 2021 amounted to US$319.6 million (2020: US$426.7 million) and US$63.2 million (2020: US$142.4 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 32 to the consolidated financial statements.

During the financial year ended 31 March 2021, the Group provided an impairment loss on trade receivables of US$4.6 million (2020: US$8.1 million) and write-back of impairment loss of US$4.9 million (2020: US$9.9 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(s) to the consolidated financial statements.

At the reporting date, 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 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 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 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.

The principal subsidiaries are as follows:

	Country of incorporation	Percentage of Holding 2021 %	2020 %	
(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 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)
Pythagoras Corporation Ltd	Marshall Islands	100	100	(e)
Integr8 Fuels Holding Inc	Marshall Islands	83.6	84.8	(e), (h)
Navig8 Chemicals Services Ltd	Marshall Islands	100	65	(e), (d)
Technical Investments Inc	Marshall Islands	100	100	(e)
TBM Holdings Inc	Marshall Islands	100	100	(e)
GreenSeas Holdings Inc	Marshall Islands	-	90	(e), (i)
Marine Software Developments Inc	Marshall Islands	100	100	(e)
(ii) Ship chartering				
Navig8 Inc	Marshall Islands	100	100	(e)
Navig8 Pte Ltd	Singapore	100	100	(b)
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)
V8 Pool Inc	Marshall Islands	100	100	(a), (f)
VL8 Pool Inc	Marshall Islands	100	100	(a), (f)
Pythagoras Corporation 9 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 10 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 11 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 12 Inc	Marshall Islands	100	100	(e)

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 2021 %	2020 %	
(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	100	(e)
Apollo Shipping 6 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 7 Inc Corporation	Marshall Islands	100	100	(e)
Apollo Shipping 8 Inc Corporation	Marshall Islands	100	100	(e)
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	100	(e)
Pythagoras Corporation 6 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 7 Inc	Marshall Islands	100	100	(e)
Pythagoras Corporation 8 Inc	Marshall Islands	100	100	(e)
Herakleitos 3050 LLC	Marshall Islands	100	100	(e)
(iv) Brokerage and Commercial Management				
Navig8 America LLC	USA	100	100	(b)
Navig8 Asia Pte Ltd	Singapore	100	100	(b)
Navig8 DMCC	Dubai	100	100	(c)
Navig8 Europe Ltd	United Kingdom	100	100	(c)
Navig8 Greece Inc	Marshall Islands	100	100	(b)
Navig8 India Private Limited	India	100	100	(c)
VL8 Management Inc	Marshall Islands	100	100	(e)
Navig8 Bulk Asia Pte Ltd	Singapore	100	100	(b)
Navig8 Bulk Europe Ltd	United Kingdom	100	100	(c)
Navig8 Chemicals America LLC	USA	100	65	(e), (d)
Navig8 Chemicals Asia Pte Ltd	Singapore	100	65	(b), (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 2021 %	2020 %	
(iv) Brokerage and Commercial Management				
Navig8 Chemicals DMCC	Dubai	100	65	(c), (d)
Navig8 Chemicals Europe Ltd	United Kingdom	100	65	(c), (d)
GreenSeas Leasing Pte. Ltd.	Singapore	-	90	(b), (i)
(v) Risk management				
Navig8 Risk Management Pte. Ltd.	Singapore	100	100	(b)
Integr8 Risk Management Pte. Ltd.	Singapore	83.6	-	(b), (g)
(vi) Bunker trading				
Integr8 Fuels Inc	Marshall Islands	83.6	84.8	(e), (h)
Integr8 Cargo Trading Inc	Marshall Islands	83.6	-	(e), (g)
Integrate Fuels LLC	Dubai	83.6	84.8	(e), (h)
Engine Technologies Pte Ltd	Singapore	100	100	(b)
Integr8 Fuels Pte. Ltd.	Singapore	83.6	-	(b), (g)
(vii) Bunker brokerage				
Integr8 Fuels America LLC	USA	83.6	84.8	(e), (h)
Integr8 Fuels Asia Pte Ltd	Singapore	83.6	84.8	(b), (h)
Integr8 Fuels DMCC	Dubai	83.6	84.8	(c), (h)
Integr8 Fuels Europe Ltd	United Kingdom	83.6	84.8	(e), (h)
Integr8 Fuels Germany GmbH	Germany	83.6	84.8	(e), (h)
Integr8 Fuels Greece S.A.	Greece	83.6	84.8	(e), (h)
Integr8 Fuels India Private Limited	India	83.6	84.8	(c), (h)
Integr8 Fuels Japan KK	Japan	83.6	84.8	(c), (h)
Integr8 Fuels Oslo AS	Norway	83.6	84.8	(e), (h)
Integr8 Turkey Akaryakit Tic.Ltd.	Turkey	83.6	84.8	(e), (h)

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 Global Network Limited of which Moore Stephens LLP, Singapore is a member.

(d) During the current financial year, the Group through a subsidiary acquired the remaining 35% share of interest in the Chemical Group.

(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) During the current financial year, the Group's share of interest was diluted from 84.8% to 83.6%.

(i) Liquidated during the current financial year.

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

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

Adjustment of interest in subsidiaries

During the current financial year, the Group's interest was diluted by the vesting of share options and the sale of shares in the Integr8 Group. The Group's effective interest in Integr8 Group was accordingly reduced from 84.8% to 83.6% (2020: 85.4% to 84.8%). This did not result in loss of control, and accordingly, the decrease of the interest in the subsidiaries has been accounted for as an equity transaction.

	2021 US$'000	2020 US$'000
Proceeds from sale of interest in a subsidiary	750	370

Acquisition of additional interest in a group of subsidiaries

During the current financial year, the Group acquired the remaining 35% of the issued shares of Navig8 Chemical Services Ltd and its subsidiaries ("Chemical Group") for a purchase consideration of US$12.8 million. The Group now holds 100% of the equity share capital of the Chemical Group. The Group derecognised non-controlling interests of US$2.5 million and recorded a decrease in equity attributable to owners of the parent of US$10.3 million. The effect of changes in the ownership interest of the Chemical Group on the equity attributable to owners of the Group during the year is summarised as follows:

	2021 US$'000
Carrying amount of non-controlling interest acquired	2,479
Consideration paid to non-controlling interest	(12,771)
Excess of consideration paid recognised in parent's equity	(10,292)

4 Organisation and Trading Activities (cont'd)

(A) Subsidiaries (cont'd)

Disposal of interest in a group of subsidiaries (cont'd)

During the financial year ended 31 March 2020, the Group disposed its 100% interest in Navig8 Offshore Inc, 84% interest in RK8 Offshore Group subsidiaries ("Offshore group subsidiaries") and 100% interest in Suntech Ship Management Pte Ltd (fka Navig8 Shipmanagement Pte Ltd) and Suntech Crew Management Private Limited (fka Navig8 Ship Management Services Private Limited) ("Technical Management subsidiaries"). Upon disposal of the Technical Management subsidiaries, the Group through a subsidiary acquired 50% equity interest in Suncorp Holdings Inc. Suncorp Holdings Inc, a joint venture took over the ownership of these Technical management subsidiaries (Note 17).

Details of the consideration received, the assets and liabilities disposed, the non-controlling interest derecognised and the effects on the cash flows of the Group, at the disposal date, were as follows:

(a) Analysis of asset and liabilities of the groups of subsidiaries at disposal date

	2020 US$'000
Cash and cash equivalents	
Other fixed assets	2,017
Right-of-use assets	14
Trade and other receivables	33
Trade and other payables	2,138
Income tax liabilities	(2,761)
Lease liabilities	(1,466)
Net (liabilities) derecognised	(34)
Less: Non-controlling interest	(59)
Net (liabilities) disposed of	20
	(39)

(b) Cash outflows and gain on disposal arising from the disposal

	2020 US$'000
Net (liabilities) disposed of	(39)
Gain on disposal	39
Cash proceeds on disposal	*
Less: Cash and cash equivalents disposed of	(2,017)
Net cash outflow on disposal	(2,017)

*Less than US$1,000

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
Gamma 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
VL8 Pool	Commercial employment and operation of Pool vessels	Marshall Islands
Chronos8 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:

	2021 US$'000	2020 US$'000
Current assets	76,036	178,248
Current liabilities	76,036	178,248
The Group's share of net revenue from Pools	354,165	415,343

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	
	2021	2020	2021	2020	2021	2020
	%	%	US$'000	US$'000	US$'000	US$'000
Integr8 Fuels Inc	16.4	15.2	3,973	4,078	13,707	12,218
Navig8 Chemical Services Ltd and its subsidiaries	-	35	*	806	-	1,800

* Not material non-controlling interest for the current financial year.

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	
	2020	2021	2020
	US$'000	US$'000	US$'000
Summarised balance sheet			
Assets			
Current	13,463	347,329	341,910
Non-current	46	-	-
	13,509	347,329	341,910
Liabilities			
Current	(8,346)	(257,625)	(261,529)
Non-current	(21)	-	-
	(8,367)	(257,625)	(261,529)
Net assets	5,142	89,704	80,381
Attributable to owners of the Group	3,342	75,997	68,163
Non-controlling interest	1,800	13,707	12,218

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. (cont'd)

	Navig8 Chemical Services Ltd and its subsidiaries	Integr8 Fuels Inc	
	2020	2021	2020
	US$'000	US$'000	US$'000
Summarised Profit or Loss			
Revenue	56,316	1,771,733	2,560,780
Expenses	(54,014)	(1,749,410)	(2,533,953)
Net profit for the year	2,302	22,323	26,827
Other comprehensive income	-	-	-
Total comprehensive income for the year	2,302	22,323	26,827
Total comprehensive income attributable to owners of the Group	1,496	18,350	22,749
Total comprehensive income attributable to non-controlling interest of the Group	806	3,973	4,078
Cash flows			
Cash flows generated from operating activities	3,164	57,309	7,992
Cash flows (used in)/generated from investing activities	(862)	3,808	2,793
Cash flows generated from/(used in) financing activities	298	(41,606)	16,968

5 Revenue

Revenue of the Group consists of the following:

	2021 US$'000	2020 US$'000
Performance obligations satisfied at a point in time		
Bunker trading income	1,821,433	2,647,333
Commission income	55,785	62,226
	1,877,218	2,709,559
Eliminations	(114,595)	(210,860)
	1,762,623	2,498,699
Performance obligations satisfied over time		
Voyage charter freight income	1,011,306	1,121,921
Time and bareboat charter income	96,962	21,800
Administration fees	9,198	11,335
Management fees	5,595	22,184
	1,123,061	1,177,240
Eliminations	(72,395)	(67,358)
	1,050,666	1,109,882
	2,813,289	3,608,581

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

	2021 US$'000	2020 US$'000
Bunkers purchases	1,758,051	2,511,200
Hire expenses	645,613	705,601
Ports, canals and towage	84,917	72,866
Commission expenses	22,432	29,166
Running costs	52,643	35,796
Depreciation of vessels and pre-delivery costs (Note 13)	29,422	23,887
Depreciation of right-of-use assets on time charters (Note 18)	59,297	20,171
Bad debts (write back)/written off	(173)	5,981
Amortisation of dry-docking costs (Note 13)	425	452
Others	740	694
	2,653,367	3,405,814

6 Operating Expenses (cont'd)

	2021 US$'000	2020 US$'000
Impairment loss on trade receivables	4,619	8,052
Write back of impairment loss on trade receivables	(4,891)	(9,860)
	(272)	(1,808)
	2,653,095	3,404,006

7 Other Income

	2021 US$'000	2020 US$'000
Gain on financial assets, at fair value through profit or loss	8,315	777
Gain on buy back of bonds	191	540
Dividend income from financial assets	29	165
Gain on disposal of other fixed assets	-	8
Gain on disposal of interest in a group of subsidiaries	-	39
Other income	1,039	718
	9,574	2,247

8 Other Expenses

	2021 US$'000	2020 US$'000
Foreign exchange loss - net	819	118
Provision for losses in an associate	6,069	-
Other fixed assets written off	-	9
Other expenses	313	80
	7,201	207

9 Administrative Expenses

Administrative expenses include the following significant balances:

	2021 US$'000	2020 US$'000
Salaries and other staff costs:		
- Administrative staff salaries and bonus	42,996	45,742
- Employer's social security and pension contribution	3,391	3,452
- Staff welfare and other staff costs	3,407	3,924
Office rental and utilities	1,069	1,108
Consultancy and other professional fees	1,892	2,337
Depreciation of other fixed assets (Note 14)	1,262	1,435
Depreciation of right-of-use assets on office premises (Note 18)	1,997	2,129

During the financial year, the Group has received government grant income related to various temporary wage support schemes as introduced by the Singapore government aimed to aid entities to retain and pay their workers as businesses are adversely impacted by the Covid-19 pandemic. The Group recorded government grant income of US$1.1 million (2020: US$nil) related to various temporary wage support schemes.

10 Finance Income

	2021 US$'000	2020 US$'000
Interest income from bank balances	185	462

11 Finance Costs

	2021 US$'000	2020 US$'000
Interest expenses on bank loans and other borrowings	41,312	48,275
Interest expenses on lease liabilities	9,158	3,653
Bank charges	459	455
	50,929	52,383

12 Income Tax Expense

	2021 US$'000	2020 US$'000
Income tax expense attributable to profit is made up of:		
- Current financial year	1,669	1,915
- Under provision in prior financial years	337	37
	2,006	1,952

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

	2021 US$'000	2020 US$'000
Profit before income tax	50,452	93,185
Income tax calculated at applicable tax rate	4,267	5,627
Utilisation of previously unrecognised tax losses	(344)	(1,226)
Deferred tax asset not recognised	119	134
Income exempt from tax or subject to lower tax incentive rate	(2,481)	(2,669)
Expenses claimable for tax purposes	108	49
Under provision in prior financial years	337	37
Tax charge	2,006	1,952

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 and Pre-delivery costs US$'000	Dry-docking Costs US$'000	Total US$'000
2021			
Cost			
At 1 April 2020	757,806	2,766	760,572
Additions	1,208	179	1,387
At 31 March 2021	759,014	2,945	761,959
Accumulated depreciation			
At 1 April 2020	32,681	1,183	33,864
Charge for the financial year	29,422	425	29,847
At 31 March 2021	62,103	1,608	63,711
Net book value			
At 31 March 2021	696,911	1,337	698,248

13 Vessels (cont'd)

	Vessels and Pre-delivery costs US$'000	Vessels under construction US$'000	Dry-docking Costs US$'000	Total US$'000
2020				
Cost				
At 1 April 2019	290,052	177,119	2,787	469,958
Additions	20,757	269,878	(21)	290,614
Transfer of delivered vessels	446,997	(446,997)	-	-
At 31 March 2020	757,806	-	2,766	760,572
Accumulated depreciation				
At 1 April 2019	8,794	-	731	9,525
Charge for the financial year	23,887	-	452	24,339
At 31 March 2020	32,681	-	1,183	33,864
Net book value				
At 31 March 2020	725,125	-	1,583	726,708

In the financial year ended 31 March 2020, the Group capitalised borrowing costs amounting to US$2.5 million at borrowing rates of 5% to 7% to vessels under construction prior to its delivery.

14 Other Fixed Assets

	Office and computer equipment US$'000	Furniture and fittings US$'000	Total US$'000
2021			
Cost			
At 1 April 2020	1,448	2,194	3,642
Additions	288	27	315
At 31 March 2021	1,736	2,221	3,957
Accumulated depreciation			
At 1 April 2020	637	551	1,188
Charge for the financial year	719	543	1,262
At 31 March 2021	1,356	1,094	2,450
Net book value			
At 31 March 2021	380	1,127	1,507

14 Other Fixed Assets (cont'd)

	Office and computer equipment US$'000	Furniture and fittings US$'000	Total US$'000
2020			
Cost			
At 1 April 2019	1,617	2,071	3,688
Additions	197	240	437
Disposals	(366)	(117)	(483)
At 31 March 2020	1,448	2,194	3,642
Accumulated depreciation			
At 1 April 2019	130	84	214
Charge for the financial year	858	577	1,435
Disposals	(351)	(110)	(461)
At 31 March 2020	637	551	1,188
Net book value			
At 31 March 2020	811	1,643	2,454

15 Financial Assets

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

	2021 US$'000	2020 US$'000
Classified as current:		
Financial assets/(liabilities), classified as fair value through other comprehensive income		
- quoted equity investment (Note 15(a))	5,183	-
- unquoted equity securities	-*	-*
- forward contracts to hedge forecast transactions (Note 15(c))	134	(911)
	5,317	(911)
Financial assets, classified as fair value through profit or loss		
- quoted equity investment (Note 15(a))	8,112	-
- commodity contracts	162	5,395
	8,274	5,395
Total	13,591	4,484

* Less than US$1,000

15 Financial Assets (cont'd)

(a) Movement in quoted equity investment, at fair value:

	2021 US$'000	2020 US$'000
At 1 April	-	8,175
Additions	12,306	-
Disposals	(2,599)	(14,469)
Fair value gain recognised during the year:		
- recognised through other comprehensive income	2,503	6,294
- recognised through profit or loss	1,085	-
At 31 March	13,295	-

(b) Details of unquoted equity securities, at fair value:

Name	Country of incorporation	Principal activities	Percentage of equity held by the Company 2021 %	 2020 %
Navig8 ACM VI LLC	Marshall Islands	Ship chartering	- [1]	5
Navig8 SG JV LLC	Marshall Islands	Ship chartering	5	5

[1] Company was liquidated during the current financial year.

(c) Derivatives financial instruments

The Group applied cash flow hedge accounting to its forward contracts. The fair value movements are recognised in fair value through other comprehensive income.

16 Interests in Associates

	2021 US$'000	2020 US$'000
Cost of investments	35,056	35,044
Share of profits in associates	2,885	3,285
Share of dividends paid	(3,513)	(1,548)
Prepaid tax on share of profits in associates	181	121
	34,609	36,902
Amounts due from associates [1]	1,618	2,718
At 31 March	36,227	39,620

16 Interests in Associates (cont'd)

	2021 US$'000	2020 US$'000
Representing:		
At 1 April	36,902	29,947
Additions	12	3,250
Share of current financial year's (losses)/profits	(400)	5,132
Share of dividends paid	(1,965)	(1,548)
Prepaid tax on share of profits in associates	60	121
At 31 March	34,609	36,902

[1] The amounts due from associates represent quasi-equity interest-free 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 2021 %	Effective interest held by the Group 2020 %	Note
D8 Product Tankers I LLC	Marshall Islands	50	50	(a),(b)
Navig8 Chemical Tankers Inc	Marshall Islands	3	3	(b),(c),(e)
SWS VLCC JV LLC	Marshall Islands	50	50	(b)
TB Marine Shipmanagement GmbH & Co. KG	Germany	51	50	(b),(d),(g)
TB Marine Cont Shipmanagement GmbH & Co.	Germany	50	50	(b)
DUNA Marine Shipmanagement	Latvia	30	20	(b),(d)
Cassiopeia Shipmanagement (Cyprus) Ltd	Cyprus	30	20	(b),(d)
GCC German Crew Center GmbH	Germany	30	20	(b),(d)
Clean Marine Environmental Pte Ltd	Singapore	3	3	(a),(f)
Ridgebury Suez 2021 LLC	USA	18	18	(b),(f)
IQrew Management LLC	Russia	24	-	(b),(d)
IQrew Management Ltd	Cyprus	24	-	(b),(d)
Safe Route Marine Ltd	Cyprus	51	-	(b),(d),(g)

(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 2020 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2021.

(c) Audited by PricewaterhouseCoopers AS, Oslo, Norway.

(d) Acquired interest during the financial year.

(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.

16 Interests in Associates (cont'd)

(f) Although the Group holds less than 20% of the equity shares in these entities, the Group exercises significant influence by virtue of a contractual right to appoint a director.

(g) Although the Group holds 51% of the equity shares in these entities, the Group does not have substantial control by virtue of the contractual voting rights held by the board of directors.

During the current financial year, the Group had the following transactions with the associates on the terms agreed between the parties:

	2021 US$'000	2020 US$'000
Management fees received/receivable	3,938	5,623
Recharges received/receivable	31	52
Technical management fees paid/payable	(991)	(658)

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

	2021 US$'000	2020 US$'000
Current assets	5,888	8,296
Non-current assets	83,380	84,507
Current liabilities	4,365	4,200
Non-current liabilities	37,013	41,174
Revenue	9,576	14,780
Profit from continuing operations	462	5,481
Total comprehensive income	462	5,481

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

	2021 US$'000	2020 US$'000
Net assets of SWS VLCC JV LLC	47,890	47,429
Proportion of the Group's ownership	50%	50%
Carrying amount of the Group's interest	23,945	23,715

16 Interests in Associates (cont'd)

The following table summarises, in aggregate, the Group's share of profits and other comprehensive income of the Group's individual immaterial associated companies accounted for using the equity method:

	2021 US$'000	2020 US$'000
The Group's share of:		
Profits from continuing operations	630	59
Other comprehensive income	-	-
Total comprehensive profits	630	59
Aggregate carrying amount of the Group's interests in these associates	10,664	13,187

17 Interests in Joint Ventures

	2021 US$'000	2020 US$'000
Cost of investments	4,307	4,307
Share of profits in joint ventures	1,180	938
Share of dividends paid	(4,462)	(1,328)
At 31 March	1,025	3,917
Representing:		
At 1 April	3,917	-
Additions	-*	4,307
Share of current financial years' profits	242	938
Share of dividends paid	(3,134)	(1,328)
At 31 March	1,025	3,917

* Less than US$1,000

Details of the joint ventures are as follows:

Name	Country of incorporation	Effective interest held by the Group 2021 %	Effective interest held by the Group 2020 %	Note
Straits Shipping 4 Pte. Ltd.	Singapore	50	50	(a), (b)
Suncorp Holdings Inc	Marshall Islands	51	50	(c), (d)

17 Interests in Joint Ventures (cont'd)

(a) Audited by Moore Stephens LLP, Singapore.
(b) During the financial year ended 31 March 2020, the Group through a subsidiary acquired 50% joint venture interest in Straits Shipping 4 Pte. Ltd., an entity under common control of the Group.
(c) During the financial year ended 31 March 2020, the Group disposed its interests in its Technical Management Subsidiaries (Note 4(A)). Upon disposal, the Group through a subsidiary acquired 50% joint venture interest in Suncorp Holdings Inc, the entity which took over the ownership of the Groups' technical management subsidiaries.
(d) The Group acquired an additional 1% of the equity shares during the financial year, totaling 51% at the reporting date. However, the Group does not have substantial control by virtue of the contractual voting rights held by the board of directors.

The summarised financial information of the joint ventures not adjusted for the proportionate ownership interest held by the Group is as follows:

	2021 US$'000	2020 US$'000
Assets and liabilities		
Current assets	5,348	6,228
Non-current assets	471	8,123
Total assets	5,819	14,351
Current liabilities	(3,222)	(3,911)
Non-current liabilities	-	(2,434)
Total liabilities	(3,222)	(6,345)
Net assets	2,597	8,006

The above assets and liabilities include the following:

	2021 US$'000	2020 US$'000
Cash and cash equivalents	2,256	2,816
Current financial liabilities (excluding trade payables and amount due to shareholders)	1,398	3,908

During the current financial year, the Group had the following transactions with the joint ventures on the terms agreed between the parties:

	2021 US$'000	2020 US$'000
Monthly fees received/receivable	21	1,307
Technical management fees paid/payable	(2,379)	(1,868)
Hire expense paid/payable	(1,025)	(1,495)

18 Right-of-Use Assets

	Time charters US$'000	Office premises US$'000	Total US$'000
2021			
Cost			
At 1 April 2020	110,103	8,822	118,925
Additions	58,712	621	59,333
Lease modifications	(21,570)	-	(21,570)
At 31 March 2021	147,245	9,443	156,688
Accumulated depreciation			
At 1 April 2020	20,171	2,114	22,285
Charge for the year	59,297	1,997	61,294
Lease modifications	(13,525)	-	(13,525)
At 31 March 2021	65,943	4,111	70,054
Net book value			
At 31 March 2021	81,302	5,332	86,634
2020			
Cost			
At 1 April 2019	-	8,764	8,764
Additions	110,103	106	110,209
Disposals of subsidiaries [Note 4(A)]	-	(48)	(48)
At 31 March 2020	110,103	8,822	118,925
Accumulated depreciation			
At 1 April 2019	-	-	-
Charge for the year	20,171	2,129	22,300
Disposals of subsidiaries [Note 4(A)]	-	(15)	(15)
At 31 March 2020	20,171	2,114	22,285
Net book value			
At 31 March 2020	89,932	6,708	96,640

19 Inventories

	2021 US$'000	2020 US$'000
Bunkers, at cost	16,574	32,131

The bunker cost recognised during the current financial year is presented under operating expenses (Note 6).

20 Trade and Other Receivables and Prepayments

	2021 US$'000	2020 US$'000
Trade receivables:		
Third parties	254,274	371,736
Less: Allowance for impairment losses	(6,651)	(8,838)
	247,623	362,898
Other receivables:		
Third parties	27,655	15,266
Related parties	44,364	48,524
	72,019	63,790
Prepayments	15,933	25,510
	335,575	452,198

During the financial years ended 31 March 2021 and 2020, the Group has factored trade receivables to financial institutions 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 2021, the carrying amount and fair values of the transferred receivables is US$86.6 million (2020: US$125.4 million) and the carrying amount of the associated liability is US$77.9 million (2020: US$106.6 million).

The exposures to credit and currency risks are disclosed in Note 32 to the consolidated financial statements.

	2021 US$'000	2020 US$'000
Accrued receivables:		
Freight revenue earned but not billed	63,222	142,377

20 Trade and Other Receivables and Prepayments (cont'd)

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 transaction prices allocated to unsatisfied performance obligations will be recognised within the next one year. The significant changes in the accrued receivables at the reporting date are as follows:

	2021 US$'000	2020 US$'000
Accrued receivables:		
Accrued receivables reclassified to trade receivables	(142,377)	(85,316)
Changes in measurement of progress	63,222	142,377

21 Cash and Bank Balances

	2021 US$'000	2020 US$'000
Cash at banks and on hand	160,909	153,184
Fixed deposits	-	304
	160,909	153,488

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

	2021 US$'000	2020 US$'000
Cash and bank balances	160,909	153,488
Less: Bank balances pledged with financial institutions	(1,480)	(1,489)
Cash and bank balances as disclosed in the consolidated statement of cash flows	159,429	151,999

The weighted average effective interest rate on bank deposits as at 31 March 2021 is 0.2% (2020: 0.2%) per annum.

22 Share Capital

	2021		2020	
	No. of shares	Amount US$'000	No. of shares	Amount US$'000
Issued and fully paid shares:				
At 1 April and 31 March	1,000	1	1,000	1

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

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

23 Reserves

	2021 US$'000	2020 US$'000
Fair value reserve	(721)	(4,823)
Other reserve	(9,093)	490
Retained earnings	274,533	274,413
At 31 March	264,719	270,080

Fair value reserve

The fair value reserve records the cumulative fair value changes of financial assets through other comprehensive income until they are de-recognised or impaired. The movement of the Group's fair value reserve during the financial year is as follows:

	2021 US$'000	2020 US$'000
At 1 April	(4,823)	(9,652)
Fair value gain recognised during the financial year	4,102	4,829
At 31 March	(721)	(4,823)

24 Non-Controlling Interests

	2021 US$'000	2020 US$'000
At 1 April	13,614	9,172
Share of profits for the financial year	4,694	5,055
Dividends paid during the financial year	(2,793)	(1,203)
Effects of change of interests in subsidiaries	670	562
Acquisition of additional interest in subsidiaries (Note 4(A))	(2,479)	-
Disposal of subsidiaries (Note 4(A))	-	20
Exercise of share options during the financial year	1	8
At 31 March	13,707	13,614

A dividend amounting to US$2.8 million (2020: US$1.2 million) was approved and paid out of the retained earnings of subsidiaries from the current year's profits to non-controlling interests during the current financial year.

25 Bank Loan

	2021 US$'000	2020 US$'000
Bank loan		
- Non-current	563	1,126
- Current	563	563
	1,126	1,689

The weighted average interest rate for the bank loan is 3.7% (2020: 5.1%) per annum with maturity period of 2 years (2020: 3 years). The bank loan is secured by mortgage of the vessel and a corporate guarantee from the ultimate holding company.

There were no defaults or breaches of the loan agreement terms for the financial years ended 31 March 2021 and 2020.

26 Other Borrowings

	2021 US$'000	2020 US$'000
Other borrowings		
- Non-current	558,092	597,855
- Current	38,761	38,428
	596,853	636,283

The weighted average interest rates for the other borrowings range from 5% to 12% (2020: 5% to 12%) per annum with maturity periods from 2 to 10 years (2020: 2 to 10) years.

26 Other Borrowings (cont'd)

The Group through its subsidiaries has 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.

At the reporting date, the net carrying amounts of these vessels amounted to US$687 million (2020: US$717 million) (Note 13).

Senior Secured Callable Bonds

On 3 May 2019, the Company issued 12% fixed rate bonds denominated in USD with a nominal value of $100 million. The bonds are due for repayment four years from the issue date at their nominal value. The Company bought back US$1.4 million (2020: US$2 million) bonds during the financial year.

27 Short-term Borrowings

During the financial years ended 31 March 2021 and 2020, the Group benefited from credit-line facilities obtained by some of its pools and its 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 2.8% (2020: 4.4%) 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 for the financial years ended 31 March 2021 and 2020.

28 Trade and Other Payables

	2021 US$'000	2020 US$'000
Trade payables	204,518	234,678
Accruals	78,617	115,492
Other payables	54,059	77,141
Related parties	12,611	18,586
	349,805	445,897

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

29 Lease Liabilities

(a) The Group as a lessee

The Group has entered into several commercial leases for the office premises and facilities for lease terms between two to ten years (2020: two to ten years). The Group also chartered in a number of vessels under time charter agreements. The lease terms range from two to five years (2020: two to five years) with extension periods where the related lease payments have not been included in the lease liabilities as the Group is not reasonably certain to exercise these extension options.

The carrying amounts of the right-of-use assets are as follows:

	2021 US$'000	2020 US$'000
Office premises	5,332	6,708
Time charters	81,302	89,932
	86,634	96,640

Additions of right-of-use assets for office premises and time charters are presented in Note 18 to the consolidated financial statements.

Amounts recognised in the consolidated statement of comprehensive income and consolidated statement of cash flows are as follows:

	2021 US$'000	2020 US$'000
Depreciation charged for the year:		
- Office rental	1,997	2,129
- Time charters	59,297	20,171
Interest on lease liabilities relating to office premises and time charters	9,158	3,653
Expenses relating to low value leases	10	35
Expenses relating to short-term leases	155,295	102,962
Total cash outflow for leases (excluding short-term leases)	62,377	19,929

29 Lease Liabilities (cont'd)

(a) The Group as a lessee (cont'd)

The Group recognised lease liabilities as follows:

	2021 US$'000	2020 US$'000
Lease liabilities		
Current	41,307	45,996
Non-current	46,614	53,014
	87,921	99,010

(b) The Group as a lessor

The Group has leased out vessels under time charter and bareboat charter arrangements. Undiscounted lease payments from the operating leases to be received after the reporting date are set out in Note 33 to the consolidated financial statements.

30 Cash Flows Arising from Financing Activities

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

		Cash flows			
	At 1 April US$'000	Proceeds US$'000	Repayments US$'000	Non-cash changes US$'000	At 31 March US$'000
2021					
Bank loan and other borrowings (Notes 25 and 26)	637,972	-	(39,993)	-	597,979
Short-term borrowings (Note 27)	185,728	-	(87,275)	-	98,453
Lease liabilities (Note 29)	99,010	-	(62,377)	51,288	87,921
2020					
Bank loan and other borrowings (Notes 25 and 26)	354,156	364,689	(80,873)	-	637,972
Short-term borrowings (Note 27)	112,298	73,430	-	-	185,728
Lease liabilities (Note 29)	9,138	-	(19,929)	109,801	99,010

31 Segment Information

Information concerning about reportable segments for the financial year 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:

	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
2021					
Revenue	682,833	2,447,328	3,130,161	(316,872)	2,813,289
Operating expenses	(613,964)	(2,344,776)	(2,958,740)	305,645	(2,653,095)
Profit from operations	68,869	102,552	171,421	(11,227)	160,194
Other income	8,585	1,489	10,074	(500)	9,574
Other expenses	(6,380)	(1,321)	(7,701)	500	(7,201)
Administrative expenses	(996)	(71,444)	(72,440)	11,227	(61,213)
Finance income	60	1,515	1,575	(1,390)	185
Finance costs	(48,821)	(3,498)	(52,319)	1,390	(50,929)
Share of profits in associates and joint ventures	(2,630)	2,472	(158)	-	(158)
Profit before income tax	18,687	31,765	50,452	-	50,452
Income tax expense	-	(2,006)	(2,006)	-	(2,006)
Net profit for the financial year	18,687	29,759	48,446	-	48,446

31 Segment Information (cont'd)

(A) Segment revenue and results (cont'd)

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

	Asset Management US$'000	Services US$'000	Reportable segments Subtotal US$'000	Eliminations US$'000	Total US$'000
2020					
Revenue	689,491	3,338,342	4,027,833	(419,252)	3,608,581
Operating expenses	(601,392)	(3,209,220)	(3,810,612)	406,606	(3,404,006)
Profit from operations	88,099	129,122	217,221	(12,646)	204,575
Other income	1,514	694	2,208	39	2,247
Other expenses	(81)	(126)	(207)	-	(207)
Administrative expenses	(1,013)	(79,212)	(80,225)	12,646	(67,579)
Finance income	389	3,286	3,675	(3,213)	462
Finance costs	(49,835)	(5,761)	(55,596)	3,213	(52,383)
Share of profits in associates and joint ventures	3,428	1,976	5,404	666	6,070
Profit before income tax	42,501	49,979	92,480	705	93,185
Income tax expense	-	(1,952)	(1,952)	-	(1,952)
Net profit for the financial year	42,501	48,027	90,528	705	91,233

31 **Segment Information** (cont'd)

(B) Reconciliation

	2021 US$'000	2020 US$'000
(i) Segment assets		
Asset Management	975,455	1,027,632
Services	671,130	747,280
Total segment assets	1,646,585	1,774,912
Eliminations	(233,073)	(120,895)
Consolidated total assets	1,413,512	1,654,017
(ii) Segment liabilities		
Asset Management	(999,862)	(1,077,354)
Services	(333,672)	(389,383)
Total segment liabilities	(1,333,534)	(1,466,737)
Eliminations	198,449	96,415
Consolidated total liabilities	(1,135,085)	(1,370,322)

(C) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Asset Management	89,146	44,511	60,099	400,717
Services	3,257	3,563	936	9,308
Total	92,403	48,074	61,035	410,025

32 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

(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 (2020: 2 to 10) years.

(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.

32 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)

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
2021								
Assets								
Cash and bank balances	160,909	-	-	-	-	-	-	160,909
Trade and other receivables (except prepayments)	-	-	-	-	-	-	319,642	319,642
Accrued receivables	-	-	-	-	-	-	63,222	63,222
Total financial assets	160,909	-	-	-	-	-	382,864	543,773
Liabilities								
Trade and other payables	-	-	-	-	-	-	349,805	349,805
Bank loan	563	563	-	-	-	-	-	1,126
Other borrowings	32,208	142,043	307,126	6,553	108,923	-	-	596,853
Short-term borrowings	98,453	-	-	-	-	-	-	98,453
Lease liabilities	-	-	-	41,307	46,411	203	-	87,921
Total financial liabilities	131,224	142,606	307,126	47,860	155,334	203	349,805	1,134,158
2020								
Assets								
Cash and bank balances	153,488	-	-	-	-	-	-	153,488
Trade and other receivables (except prepayments)	-	-	-	-	-	-	426,688	426,688
Accrued receivables	-	-	-	-	-	-	142,377	142,377
Total financial assets	153,488	-	-	-	-	-	569,065	722,553
Liabilities								
Trade and other payables	-	-	-	-	-	-	445,897	445,897
Bank loan	563	1,126	-	-	-	-	-	1,689
Other borrowings	31,875	143,239	338,138	6,553	116,478	-	-	636,283
Short-term borrowings	185,728	-	-	-	-	-	-	185,728
Lease liabilities	-	-	-	45,996	53,014	-	-	99,010
Total financial liabilities	218,166	144,365	338,138	52,549	169,492	-	445,897	1,368,607

32 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)

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

	2021 US$'000	2020 US$'000
Profit before income tax	47	65

This analysis assumes that all other variables remain constant.

(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
2021					
Financial assets					
Cash and bank balances	156,585	862	140	3,322	160,909
Trade and other receivables (except prepayments)	312,044	1,131	200	6,267	319,642
Accrued receivables	63,222	-	-	-	63,222
	531,851	1,993	340	9,589	543,773
Financial liabilities					
Trade and other payables	(341,964)	(3,242)	(1,782)	(2,817)	(349,805)
Bank loans	(1,126)	-	-	-	(1,126)
Other borrowings	(596,853)	-	-	-	(596,853)
Short-term borrowings	(98,453)	-	-	-	(98,453)
Lease liabilities	(82,456)	(2,353)	(2,525)	(587)	(87,921)
	(1,120,852)	(5,595)	(4,307)	(3,404)	(1,134,158)
Currency exposure on net financial (liabilities)/assets		(3,602)	(3,967)	6,185	

32 **Financial Risk Management Objectives and Policies** (cont'd)

(A) Financial Risk Factors (cont'd)

(a) Market Risk (cont'd)

(iii) Foreign currency risk (cont'd)

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
2020					
Financial assets					
Cash and bank balances	143,624	530	298	9,036	153,488
Trade and other receivables (except prepayments)	414,333	654	2,535	9,166	426,688
Accrued receivables	142,377	-	-	-	142,377
	700,334	1,184	2,833	18,202	722,553
Financial liabilities					
Trade and other payables	(438,327)	(2,733)	(2,134)	(2,703)	(445,897)
Bank loans	(1,689)	-	-	-	(1,689)
Other borrowings	(636,283)	-	-	-	(636,283)
Short-term borrowings	(185,728)	-	-	-	(185,728)
Lease liabilities	(92,132)	(3,110)	(3,114)	(654)	(99,010)
	(1,354,159)	(5,843)	(5,248)	(3,357)	(1,368,607)
Currency exposure on net financial (liabilities)/assets		(4,659)	(2,415)	14,845	

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

(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.

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

(A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

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 (i.e interest and/or principal repayment are more than 30 days past due).	Lifetime ECL (not credit impaired)
iii. Non-performing	There is evidence indicating that the asset is credit impaired (i.e interest and/or principal repayments are more than 90 days past due).	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e interest and/or principal repayments are more than 180 days past due).	Asset is written off

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 proceeds with financial institution counterparties, which are rated Aa1 to A2, based on rating agency ratings. Debt instruments measured at amortised cost are considered low credit risks as the instrument is of a good rating.

Impairment on cash and cash equivalents and other financial assets have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that these financial assets have low credit risk based on the external credit ratings of the counterparties and these counterparties having low risk of default. The amount of the loss allowance on these financial assets are assessed to be minimal. The gross and net carrying amounts of these financial assets are disclosed in Note 20 and Note 21 to the financial statements.

32 **Financial Risk Management Objectives and Policies** (cont'd)

(A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

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 do not have any historical defaults. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with 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 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
2021			
Credit impaired assets:			
Third parties	7,987	(5,476)	2,511
Others:			
Third parties			
Current	198,523	(547)	197,976
Past due:			
Up to three months	36,414	(437)	35,977
More than three months	11,350	(191)	11,159
	254,274	(6,651)	247,623
2020			
Credit impaired assets:			
Third parties	19,894	(6,995)	12,899
Others:			
Third parties			
Current	299,650	(1,420)	298,230
Past due:			
Up to three months	33,828	(266)	33,562
More than three months	18,364	(157)	18,207
	371,736	(8,838)	362,898

32 **Financial Risk Management Objectives and Policies** (cont'd)

(A) Financial Risk Factors (cont'd)

(b) Credit Risk (cont'd)

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

	2021 US$'000	2020 US$'000
At 1 April	8,838	23,719
Impairment for the year (Note 6)	4,619	8,052
Impairment written back (Note 6)	(4,891)	(9,860)
Impairment written off	(1,915)	(12,659)
Disposal of interests in a group of subsidiaries	-	(414)
At 31 March (Note 20)	6,651	8,838

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.

(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.

			Cash Flows		
	Carrying Amounts US$'000	Contractual cash flows US$'000	Within one year US$'000	Between two to five years US$'000	After five years US$'000
2021					
Trade and other payables	(349,805)	(349,805)	(349,805)	-	-
Bank loan	(1,126)	(1,188)	(604)	(584)	-
Other borrowings	(596,853)	(746,813)	(72,558)	(333,362)	(340,893)
Lease liabilities	(87,921)	(97,949)	(45,990)	(51,743)	(216)
Short-term borrowings	(98,453)	(98,453)	(98,453)	-	-
	(1,134,158)	(1,294,208)	(567,410)	(385,689)	(341,109)

32 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. (cont'd)

			Cash Flows		
	Carrying Amounts US$'000	Contractual cash flows US$'000	Within one year US$'000	Between two to five years US$'000	After five years US$'000
2020					
Trade and other payables	(445,897)	(445,897)	(445,897)	-	-
Bank loan	(1,689)	(1,865)	(651)	(1,214)	-
Other borrowings	(636,283)	(854,576)	(78,392)	(380,021)	(396,163)
Lease liabilities	(99,010)	(111,434)	(52,311)	(59,123)	-
Short-term borrowings	(185,728)	(185,728)	(185,728)	-	-
	(1,368,607)	(1,599,500)	(762,979)	(440,358)	(396,163)

(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 and previous financial 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.

32 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 loans.

	2021 US$'000	2020 US$'000
Short and long-term debts	696,432	823,700
Total assets	1,413,512	1,654,017
Leverage ratio	49%	50%

The Group does not have to comply with any externally imposed capital requirements for the financial years ended 31 March 2021 and 2020.

(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
Financial assets				
2021	13,295	296	*	13,591
2020	-	4,484	*	4,484

* less than US$1,000

32 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)

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. There were no transfers between fair value levels during the year.

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

The fair value of forward contracts is determined using quoted forward currency rates at the balance sheet date. Observable prices are used for commodity contracts as a measure of fair value.

(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 and lease liabilities compared to fair values are shown below:

	2021		2020	
	Carrying value US$'000	Fair value US$'000	Carrying value US$'000	Fair value US$'000
Classified as Level 2 of Fair value hierarchy				
Bank loan and other borrowings	597,979	580,006	637,972	649,251
Lease liabilities	87,921	87,921	99,010	99,010

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.

33 Commitments

As Lessor

At reporting date, 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 three years. Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2021	2020
	US$'000	US$'000
Due:		
Within one year	35,192	77,470
One to two years	29,018	29,018
Two to three years	2,942	29,018
	67,152	135,506

Operating lease receipts are recognised in profit or loss during the financial year as part of revenue.

34 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 the subsidiaries of the Company.

35 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:

	2021 US$'000	2020 US$'000
Net profit attributable to equity holders of the Group	43,752	86,178
Weighted average number of ordinary shares outstanding for basic earnings per share	1	1
Basic earnings per share	43,752	86,178

(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 years ended 31 March 2021 and 2020. Accordingly, the diluted earnings per share is computed to be the same as the basic earnings per share for the financial years ended 31 March 2021 and 2020.

36 Subsequent Event

In June 2021, the Group, through one of its subsidiaries, acquired the remaining 50% of the issued shares of D8 Product Tankers I LLC, a former associate company and the Group now holds 100% of the issued shares in the Company.