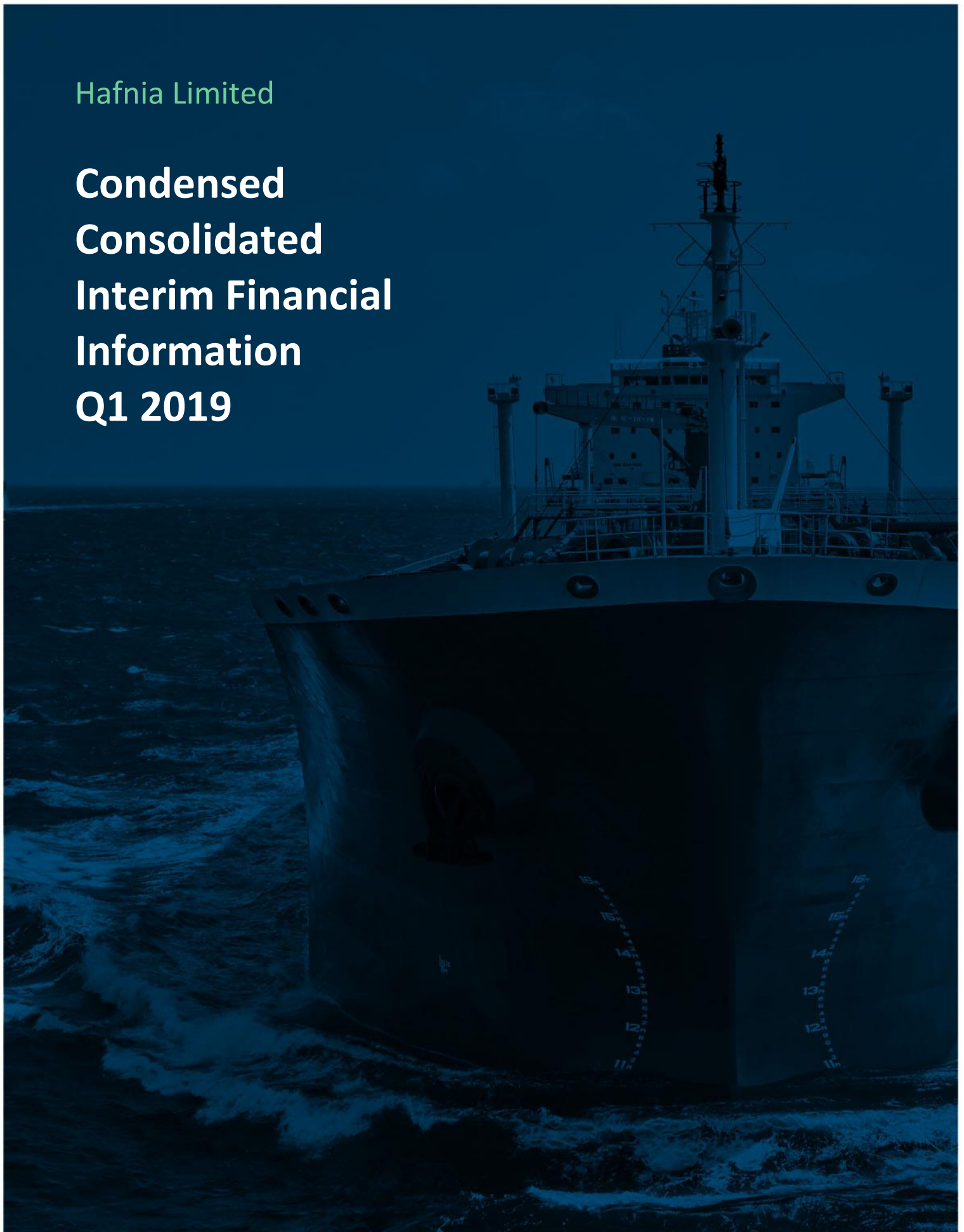


Hafnia Limited

**Condensed
Consolidated
Interim Financial
Information
Q1 2019**



HIGHLIGHTS – Q1 2019

- In January 2019, BW Tankers and Hafnia Tankers merged to form Hafnia. In the first quarter of 2019 the organization has been focused on integrating the two companies and by the end of Q2 this will substantially have been completed. Operating 170 vessels in the Hafnia pools, of which 87 are owned and chartered-in¹, has led to significant commercial, financial, technical and operational synergies. The expanded fleet allows us to utilize the data generated to further optimize vessel operation and planning.
- Time Charter Equivalent (TCE) earnings were US\$132.6 million in Q1 2019.
- EBITDA was US\$74.1 million in Q1 2019.
- Net profit after tax was US\$27.9 million in Q1 2019.
- At the end of the quarter, the 80 owned vessels² and four newbuilds¹ had an average broker valuation of US\$2,159.4 million. At the end of Q1 the remaining CAPEX for the newbuilds¹ was US\$119.3 million.
- At the date of this report, the fleet size of the Group comprises three LR2s, 29 LR1s (including six bareboat chartered-in and two time-chartered in), 43 MRs (including three time-chartered in) and 13 SRs owned/operated, plus three LR2 newbuilds¹.
- Three LR2 newbuilds, BW Despina, BW Galatea and BW Larissa have been delivered as at the date of this report.
- In January 2019, the Group took delivery of Hafnia Hong Kong and Hafnia Shanghai, the first two LR1 newbuilds through its 50% participation in a joint venture with China State Shipbuilding Cooperation (“CSSC”).

	LR2	LR1	MR	SR
Vessels on water at the end of the period¹	2	29	43	13
Total operating days	97	2,562	3,992	1,169
Total calendar days (excluding TC-in)	97	2,430	3,600	1,170
TCE (US\$ per operating day)³	17,063	18,587	16,479	16,861
OPEX (US\$ per calendar day)⁴	6,186	6,685	6,254	6,094

¹ Excluding two LR1s and four LR1 newbuilds owned through 50% ownership in Vista Shipping Limited.

² Represents vessels carried on the balance sheet, excluding two bareboat chartered-in LR1s which are classified as Right-of-use assets.

³ TCE represents gross TCE income after adding back pool commissions (US\$2.2 million).

⁴ OPEX includes vessel running costs and technical management fees.

- In accordance with the bye-laws, the board of directors has decided that the Company shall explore the possibility to purchase own shares. The purpose of the share buyback is inter alia to be able to deliver shares under a share option program for its employees and to have flexibility for potential business opportunities. The shares will be purchased from the open market and further announcements will be made in connection with the share buy-back if and when the Company resolves to purchase own shares.

SELECTED KEY FINANCIAL INFORMATION

	Q1 2019 US\$ million
<i>Income Statement</i>	
Operating revenue	214.1
TCE income	132.6
EBITDA	74.1
Net profit after tax	27.9
Basic & diluted EPS (US cents per share)	0.08
	31 March 2019 US\$ million
<i>Balance Sheet</i>	
Cash & cash equivalents	75.2
Total assets	2,450.1
Total liabilities	1,444.6

PERFORMANCE REVIEW: Q1 2019

Operating revenue was US\$214.1 million in Q1 2019.

TCE income was US\$132.6 million in Q1 2019.

EBITDA was US\$74.1 million in Q1 2019.

Net finance expense was US\$16.9 million in Q1 2019.

The Group reported a net profit after tax of US\$27.9 million in Q1 2019.

BALANCE SHEET

As at 31 March 2019, total assets amounted to US\$2,450.1 million, of which US\$2,060.9 million represented the carrying value of the Group's vessels (including dry docking) and vessels under construction as follows:

As at 31 March 2019					
	LR2	LR1	MR	SR	Total
	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
Vessels (including dry-dock)	98.0	492.9	1,138.7	249.6	1,979.2
Vessels under construction	81.7	-	-	-	81.7
	<u>179.7</u>	<u>492.9</u>	<u>1,138.7</u>	<u>249.6</u>	<u>2,060.9</u>

Cash and cash equivalents amounted to US\$75.2 million as at 31 March. Cash flows from operating activities generated a net cash surplus of US\$57.7 million in Q1 2019.

Cash flows from operating activities were principally utilised for repayments of bank borrowings and interest payments.

MARKET OUTLOOK

Product trade growth is projected to rise in 2019 due to resumption of arbitrage opportunities to Asia and from increased growth in the Middle East. Inventory building could occur in the run up to 2020, driven by a relatively lower oil price environment across 2019. Looking to 2020, the IMO 2020 sulphur cap could generate a healthy growth in the products trade as the regulation is anticipated to heighten demand for middle distillates, supporting higher gasoil shipments into the major bunkering hubs in Europe and Asia. Conversely, a fall in global fuel oil trade is anticipated due to lower usage in bunkering.

Expansion in the products trade is expected to be largely supported by robust growth in Middle Eastern exports in 2019, with several refinery expansions and start-ups projected to drive growth in the region's refinery capacity over the year. Additionally, Asian product exports are projected to rise in 2019 boosting growth in the intra-Asian products trade. With the IMO 2020 sulphur cap expected to increase demand for gasoil in 2020, the pace of products export growth from the US, the Middle East and China is likely to accelerate as complex refineries in these regions raise utilisation rates to produce additional gasoil.

In 2018, the combined crude and product tanker fleet capacity grew very marginally. Annual deliveries were at their lowest levels since 2005. Scrapping in the crude tanker fleet was at its highest since 1985 and scrapping for the product tanker fleet was at its highest since 2012. In early 2019, product tanker capacity growth rebounded with fleet capacity expanding by more than one and a half percent in Q1 2019. This growth rate is not expected to be sustained in 2019 as the pace of deliveries will slow, given the front-loaded nature of the delivery schedule.

The fleet capacity growth is estimated at about three percent for the entire 2019. Several factors will potentially help to offset the impact of the increase in fleet capacity. Firstly, growth in the active tanker fleet could be limited by time out of service for scrubber retrofitting. Additionally, there could also be an increase in floating storage in the lead up to the IMO 2020 global sulphur cap. Overall, the outlook for 2019 is positive. Market dislocations in relation to IMO 2020 regulations are anticipated to provide increased arbitrage opportunities which will boost overall demand for product tanker freight.

The product tanker freight market had a positive start to 2019 - according to Clarksons, average earnings across all vessel segments for Q1 2019 were reported at a healthy 26% increase quarter-on-quarter and at a notable 45% increase year-on-year.

RISK FACTORS

The Group's results are largely dependent on the worldwide market for transportation of refined oil products. Market conditions for shipping activities are typically volatile and, as a consequence, the results may vary considerably from year to year. The market in broad terms is dependent upon two factors: the supply of vessels and the demand for crude oil products which is dependent on the global economy. The supply of vessels depends on the number of newbuilds entering the market, the demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. The demand side depends mainly on developments in the global economy.

The Group is also exposed to risk in respect of fuel oil costs. Fuel oil prices are affected by the global political and economic environment. For voyage contracts, the current fuel costs are priced into the contracts. Other risks that Management takes into account are interest rate risk, credit risk, liquidity risk and capital risk. Management does not expect the exposure to these risks to change materially to cause a significant impact on the performance of the Group during the remaining months in 2019.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	For the 3 months ended 31 March 2019 US\$'000
Revenue		214,093
Voyage expenses		(81,519)
TCE income¹		132,574
Other operating income		50
Charter hire expense		(5,757)
Other operating expenses		(52,816)
Operating profit before depreciation		74,051
Depreciation charge	4	(29,185)
Operating profit		44,866
Interest income		968
Interest expense		(17,228)
Other finance expense		(679)
Finance expense – net		(16,939)
Profit before income tax		27,927
Income tax expense		(20)
Profit after tax		27,907
Other comprehensive loss:		
Item that may be subsequently reclassified to income statement		
Fair value changes on cash flow hedges – interest rate swaps		
- Fair value losses		(3,480)
- Reclassification to profit or loss – interest expense		(187)
		(3,667)
Total comprehensive income		24,240
Earnings per share attributable to the equity holders of the Company		
(expressed in US cents per share)		
Basic and diluted earnings per share		0.08

¹ “TCE income” denotes “time charter equivalent” income which represents revenue from time charters and voyage charters less voyage expenses comprising primarily commission, fuel oil and port charges. TCE is a standard measure used in the shipping industry for reporting of income, providing improved comparability across different types of charters.

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2019 US\$'000
Vessels	4	1,934,150
Dry docking	4	45,051
Vessels under construction	4	81,704
Right-of-use assets	4	75,174
Total property, plant and equipment		2,136,079
Derivative financial instruments		864
Investment in associate		2,944
Loan to joint venture		45,012
Deferred tax assets		14
Total other non-current assets		48,834
Total non-current assets		2,184,913
Inventories		24,462
Trade and other receivables		165,559
Derivative financial instruments		9
Cash and cash equivalents		75,206
Total current assets		265,236
Total assets		2,450,149
Share capital	5b	3,432
Share premium	5b	633,092
Contributed surplus		537,112
Other reserve	5c	(3,359)
Accumulated losses		(164,747)
Total shareholders' equity		1,005,530
Borrowings	6	1,170,503
Derivative financial instruments		4,189
Other payables		2,205
Total non-current liabilities		1,176,897
Derivative financial instruments		6
Current income tax liabilities		114
Trade and other payables		72,325
Borrowings	6	195,277
Total current liabilities		267,722
Total liabilities		1,444,619
Total equity and liabilities		2,450,149

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Share premium US\$'000	Contributed surplus US\$'000	Translation reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 January 2019	3,432	633,092	537,112	(34)	342	(192,654)	981,290
Total comprehensive income for the financial period	-	-	-	-	(3,667)	27,907	24,240
Balance at 31 March 2019	3,432	633,092	537,112	(34)	(3,325)	(164,747)	1,005,530

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

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

	For the 3 months ended 31 March 2019 US\$'000
Cash flows from operating activities	
Profit for the financial period	27,907
Adjustments for:	
- depreciation charge	29,185
- amortisation of prepaid finance lease expenses	361
- interest income	(968)
- interest expense	17,228
- other finance expense	679
- income tax expense	20
Operating cash flow before working capital changes	74,412
Changes in working capital:	
- inventories	3,632
- trade and other receivables	(16,114)
- trade and other payables	(4,166)
Cash generated from operations	57,764
Income tax paid	(54)
Net cash provided by operating activities	57,710
Cash flows from investing activities	
Loan to joint venture company	(30,050)
Purchase of property, plant and equipment	(64,244)
Interest income received	368
Net cash used in investing activities	(93,926)
Cash flows from financing activities	
Proceeds from borrowings from external financial institutions	97,200
Proceeds from borrowings from non-related parties	210
Repayment of borrowings to external financial institutions	(49,011)
Repayment of borrowings to non-related parties	(133)
Repayment of finance lease liabilities	(2,844)
Repayment of other lease liabilities	(4,268)
Payment of financing fees	(2,124)
Interest paid to external financial institutions	(12,272)
Interest paid to a related corporation	(628)
Other finance expense paid	(707)
Net cash provided by financing activities	25,423
Net decrease in cash and cash equivalents	(10,793)
Cash and cash equivalents at beginning of the financial period	85,999
Cash and cash equivalents at end of the financial period	75,206

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

These notes form an integral part of and should be read in conjunction with the accompanying condensed consolidated interim financial statements.

1. General information

Hafnia Limited (the “Company”), formerly known as BW Tankers Limited, is incorporated and domiciled in Bermuda. The address of its registered office is Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, HM 1189, Hamilton HM EX, Bermuda .

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shipowning and chartering.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

(b) Merger of entities

On 21 January 2019, BW Tankers Limited merged with Hafnia Tankers Limited, a fellow subsidiary of BW Group Limited. The merger was effected through a share swap arrangement, where newly issued shares of BW Tankers Limited were exchanged for all outstanding shares of Hafnia Tankers Limited. BW Tankers Limited, the surviving entity, then changed its name to Hafnia Limited.

As both BW Tankers Limited and Hafnia Tankers Limited were under the common control of the BW Group Limited before and after the merger, the Company applied the common control exemption and accounted for the opening balance of the merged group using the book value accounting. Under the book value accounting method, the combined assets, liabilities and reserves of the merged companies are recorded at their existing carrying amounts at the date of merger.

Merger of BW Tankers Limited and Hafnia Tankers Limited was performed on a relative net asset value (“NAV”) basis, where the NAV of both merging entities were evaluated, added together and shareholdings allocated based on the proportionate contributions to the NAV of the merged entity. The NAV utilised in the exercise was performed based on the standalone financial statements of the merging entities. As a result, by utilising the book values of the merging entities from the standalone financial statements’ perspective, management believes that such an approach better reflects the economics of the merger, and provides more relevant information to the shareholders. A summary of the combined assets, liabilities and reserves of the merged companies are presented below.

	BW Tankers Limited US\$’000	Hafnia Tankers Limited US\$’000	Merger Adjustments US\$’000	Total US\$’000
Property, plant and equipment	1,171,838	850,170	-	2,022,008
Other current and non-current assets	142,242	139,691	-	281,933
Total assets	1,314,080	989,861	-	2,303,941

2 Basis of preparation (continued)

(b) Merger of entities (continued)

	BW Tankers Limited US\$'000	Hafnia Tankers Limited US\$'000	Merger Adjustments US\$'000	Total US\$'000
Borrowings	689,984	450,595	-	1,140,579
Lease liabilities	-	96,751	-	96,751
Other current and non-current liabilities	53,017	34,401	-	87,418
Total liabilities	743,001	581,747	-	1,324,748
Share capital ¹	1,962	339	1,131	3,432
Share premium ¹	221,220	354,470	57,402	633,092
Contributed surplus	537,112	-	-	537,112
Treasury shares	-	(14,038)	14,038	-
Capital reserve ²	50,011	-	(50,011)	-
Translation reserve	-	(34)	-	(34)
Hedging reserve	3,158	(1,874)	(942)	342
Accumulated losses ³	(242,384)	(75,892)	123,525	(194,751)
Non-controlling interests	-	145,143	(145,143)	-
Total equity	571,079	408,114	-	979,193

Note 1 – US\$58.5 million represents consideration paid of US\$413.3 million in the form of issued shares of the Company and acquisition of Hafnia Tankers old shares of US\$354.8 million.

Note 2 – As part of accounting policy choice to present the Capital reserve of BW Tankers Limited arising from a previous group restructuring during the financial year ended 31 December 2014 within accumulated losses, US\$50.0 million has been transferred to Accumulated losses (note 3).

Note 3 – US\$123.5 million comprises of the following adjustments: a) a book value accounting adjustment of US\$72.6 million, i.e. a difference between the consideration paid of US\$413.3 million and the capital of Hafnia Tankers Limited of US\$340.7 million, b) reallocation of US\$0.9 million from non-controlling interests to hedging reserve, and c) transfer from Capital reserve of US\$50.0 million (note 2).

The Company decided not to restate the comparatives of Hafnia Limited, so as to reflect the combination with Hafnia Tankers Limited following the scheme of merger which took place in January 2019. The previously reported comparative information of Hafnia Limited will be reproduced in the full year financial statements for the year ending 31 December 2019.

3. Significant accounting policies

The condensed consolidated interim financial information for the three-month period from 1 January 2019 to 31 March 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2018 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3. Significant accounting policies (continued)

In the preparation of this set of condensed consolidated interim financial information, the same accounting policies have been applied as those used in the preparation of the consolidated financial statements for the financial year ended 31 December 2018, except as disclosed below.

IFRS 16 Revenue from contracts with customers

The Group has adopted IFRS 16 for the first time for annual period beginning 1 January 2019. In applying IFRS 16, an entity is required to recognise a right-of-use asset and lease liability, initially measured at the present value of unavoidable future lease payments; to recognise depreciation of right-of-use asset and interest element of the lease liability in the income statement over the lease term; and separate the total amount of cash paid into principal portion (presented within financing activities) and interest portion (typically presented within either operating or financing activities) in the cash flow statement.

IFRS 16 does not change substantially the accounting for finance leases under IAS 17. The main difference relates to the treatment of residual value guarantees provided by a lessee to a lessor. This is because IFRS 16 requires that an entity recognises only amounts expected to be payable under residual value guarantees, rather than the maximum amount guaranteed as required by IAS 17.

IFRS 16 does not change substantially how a lessor accounts for lease. Accordingly, a lessor will continue to classify leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

The Group has applied the practical expedient to grandfather the definition of a lease on transition. IFRS 16 will be applied to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The effects of applying the new standard on 1 January 2019 are discussed below.

(1) When a group company is the lessee

The Group leases vessels, office spaces, and other equipment from external parties. All vessels previously accounted for as operating leases under IAS 17 will be recognised on balance sheet as right-of-use assets, together with the corresponding lease liabilities. Short-term leases and other low value assets will be excluded under the practical expedients allowed in IFRS 16. The impact of adoption of IFRS 16 on the Consolidated Financial Statements as at 1 January 2019 is summarised below:

	US\$'000
Lease liabilities	65,817
Deferred gain on sale and operating leaseback	(3,849)
Right of use assets	<u>61,968</u>

The adoption of IFRS 16 will not have an impact on the accounting of leased-in assets that are classified as finance leases.

(2) When a group company is the lessor

The adoption of IFRS 16 does not have an impact on the accounting of leases in which the Group is a lessor.

3. Significant accounting policies (continued)

(3) External loan covenants compliance

The Group is subject to externally imposed capital requirements arising from its external borrowings. Management has assessed and expect no impact from IFRS 16 on these loan covenants.

Critical accounting estimates and assumptions

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018 except for new judgements applicable to the policy on leases due to adoption of IFRS 16.

4. Property, plant and equipment

	<u>Right-of-use assets</u> US\$'000	<u>Vessels</u> US\$'000	<u>Dry docking</u> US\$'000	<u>Vessels under construction</u> US\$'000	<u>Total</u> US\$'000
<i>Cost</i>					
At 1 January 2019	61,968	2,596,688	68,955	117,495	2,845,106
Additions	17,045	388	1,095	62,761	81,289
Transfer on delivery of vessel	-	96,552	2,000	(98,552)	-
Write-off on completion of dry docking cycle	-	-	(713)	-	(713)
At 31 March 2019	<u>79,013</u>	<u>2,693,628</u>	<u>71,337</u>	<u>81,704</u>	<u>2,925,682</u>
<i>Accumulated depreciation and impairment charge</i>					
At 1 January 2019	-	738,728	22,403	-	761,131
Depreciation charge	3,839	20,750	4,596	-	29,185
Write-off on completion of dry docking cycle	-	-	(713)	-	(713)
At 31 March 2019	<u>3,839</u>	<u>759,478</u>	<u>26,286</u>	<u>-</u>	<u>789,603</u>
<i>Net book value</i>					
At 31 March 2019	<u>75,174</u>	<u>1,934,150</u>	<u>45,051</u>	<u>81,704</u>	<u>2,136,079</u>

- (a) For the three-month period ended 31 March 2019, no additional impairment charge or reversal of previously recognised impairment loss was recognised.

The recoverable amounts of the vessels are estimated predominantly based on independent third party valuation reports which made reference to comparable transaction prices of similar vessels. These are regarded as level 2 fair values under the fair value hierarchy of IFRS 13 Fair Value Measurement. The Group has assessed that the brokers had the required competency and capability to perform the valuation. The Group has also considered the appropriateness of the valuation methodologies and assumptions used by the brokers.

4. Property, plant and equipment (continued)

- (b) The Group has mortgaged vessels with a total carrying amount of US\$1,979.2 million at 31 March 2019 as security over the Group's bank borrowings.

5. Shareholders' equity

- (a) Authorised share capital

The total authorised shares is 400,000,000 shares with a par value of US\$0.01 per share.

- (b) Issued and fully paid share capital

	Number of Shares	Share capital US\$'000	Share premium US\$'000	Total US\$'000
At beginning and end of financial period	343,157,979	3,432	633,092	636,524
(c) Other reserve				As at 31 March 2019 US\$'000
(i) Composition:				
Translation reserve				(34)
Hedging reserve				(3,325)
				(3,359)
(ii) Movements of the reserves are as follows:				As at 31 March 2019 US\$'000
<u>Hedging reserve</u>				
At beginning of the financial period				342
Fair value losses on cash flow hedges				(3,480)
Reclassification to profit or loss				(187)
At end of the financial period				(3,325)

6. Borrowings

	As at 31 March 2019 US\$'000
<u>Current</u>	
Loan from related corporations	8,517
Loan from non-related parties	348
Bank borrowings	162,826
Finance lease liabilities	6,911
Other lease liabilities	16,675
	<u>195,277</u>
<u>Non-current</u>	
Loan from related corporations	34,524
Loan from non-related parties	2,131
Bank borrowings	983,027
Finance lease liabilities	88,124
Other lease liabilities	62,697
	<u>1,170,503</u>
Total borrowings	<u>1,365,780</u>

As at 31 March 2019, bank borrowings consist of seven credit facilities from external financial institutions, amounting to US\$676 million, US\$266 million, US\$128 million, US\$216 million, US\$30 million, US\$360 million and US\$236 million respectively. These facilities are secured by the Group's fleet of vessels. The table below summarises key information of the bank borrowings:

Facility amount	Interest rate	Maturity date
US\$676 million facility		
- Tranche A US\$576 million	3M LIBOR + 1.70%	2022
- Tranche A US\$100 million revolving credit facility	3M LIBOR + 1.70%	2022
US\$266 million facility	3M LIBOR + 1.50%	2028
US\$128 million facility	3M LIBOR + 1.80%	2023
US\$216 million facility	3M LIBOR + 1.50%	2027
US\$30 million facility	3M LIBOR + 2.80%	2019
US\$360 million facility	3M LIBOR + 2.25%	2023
US\$236 million facility	3M LIBOR + 2.60%	2022

Interest rates

The weighted average effective interest rates per annum of total borrowings at the balance sheet date are as follows:

	As at 31 March 2019
Bank borrowings	<u>4.6%</u>

Carrying amounts and fair values

The carrying values of the bank borrowings approximate their fair values.

7. Commitments

(a) Operating lease commitments - where a group company is a lessor

The Group leases vessels to third parties under non-cancellable operating lease agreements. The leases have varying terms.

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	As at 31 March 2019 US\$'000
Not later than one year	37,022
Later than one year but not later than five years	18,873
	55,895

(b) Operating lease commitments - where a group company is a lessee

The Group leases vessels and office space from non-related parties under non-cancellable operating lease agreements. The leases have varying terms.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	As at 31 March 2019 US\$'000
Not later than one year	1,242

8. Financial instruments by category

The aggregate carrying amounts of the different categories of financial assets and liabilities are as disclosed on the face of the balance sheet:

	As at 31 March 2019 US\$'000
Financial assets at amortised cost	272,650
Financial liabilities at amortised cost	1,438,105

9. Segment Information

Operating segments are determined based on the reports submitted to management to make strategic decisions.

The management considers the business to be organised into four main business segments:

- (i) LR2 Product Tankers ('LR2')
- (ii) LR1 Product Tankers ('LR1')
- (iii) MR Product Tankers ('MR')
- (iv) SR Product Tankers ('SR')

The operating segments are organised and managed according to the size of the product tanker vessels.

The LR2 segment consists of vessels around 115,000 DWT in size and provides transportation of refined oil products.

The LR1 segment consists of vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of refined oil products.

The MR segment consists of vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of refined oil products and bio-liquids such as palm and cereal oils.

The SR segment consist of vessels between 15,000 DWT and 35,000 DWT in size and provides transportation of refined oil products.

Management assesses the performance of the operating segments based on operating profit before depreciation, impairment and gain on disposal of vessels ("Operating EBITDA"). This measurement basis excludes the effects of impairment charges and gain on disposal of vessels that are not expected to recur regularly in every financial period. Interest income and finance expenses, which result from the Company's capital and liquidity position that is centrally managed for the benefit of various activities, are not allocated to segments.

	LR2 US\$'000	LR1 US\$'000	MR US\$'000	SR US\$'000	Total US\$'000
For the 3 months ended					
31 March 2019					
Revenue	2,631	78,754	100,404	32,304	214,093
Voyage expenses	(976)	(31,607)	(35,602)	(13,334)	(81,519)
TCE income	1,655	47,147	64,802	18,970	132,574
Other operating income	-	-	47	-	47
Vessel operating expenses	(546)	(14,770)	(20,652)	(6,605)	(42,573)
Technical management	(54)	(1,475)	(1,862)	(524)	(3,915)
Charter hire expenses	-	(1,495)	(4,262)	-	(5,757)
Operating EBITDA	1,055	29,407	38,073	11,842	80,377
Depreciation charge	(504)	(9,875)	(15,175)	(3,631)	(29,185)
					51,192
Unallocated					(23,265)
Profit before income tax					27,927

Fleet list of delivered vessels

Vessel	DWT	Built	Type	Yard	Stake
BW Despina	115,000	Jan-19	LR2	Daehan	100%
BW Galatea	115,000	Mar-19	LR2	Daehan	100%
BW Larissa	115,000	Apr-19	LR2	Daehan	100%
BW Amazon	76,565	Oct-06	LR1	Dalian	100%
BW Clyde	73,495	Jun-04	LR1	New Century	100%
BW Columbia	74,999	Jan-07	LR1	Dalian	100%
BW Danube	74,999	Mar-07	LR1	Dalian	100%
BW Hudson	76,574	Jun-07	LR1	Dalian	100%
BW Kallang	74,000	Jan-17	LR1	STX	100%
BW Kronborg	73,708	Mar-07	LR1	New Century	100%
BW Lara	73,495	Aug-04	LR1	New Century	100%
BW Lena	74,996	Aug-07	LR1	Dalian	100%
BW Nile	74,000	Aug-17	LR1	STX	100%
BW Orinoco	74,991	Nov-07	LR1	Dalian	100%
BW Rhine	76,578	Mar-08	LR1	Dalian	100%
BW Seine	76,580	May-08	LR1	Dalian	100%
BW Shinano	74,998	Oct-08	LR1	Dalian	100%
BW Tagus	74,000	Mar-17	LR1	STX	100%
BW Thames	74,999	Aug-08	LR1	Dalian	100%
BW Yangtze	74,996	Jan-09	LR1	Dalian	100%
BW Yarra	74,000	Jul-17	LR1	STX	100%
BW Zambesi	74,982	Jan-10	LR1	Dalian	100%
Compass	72,736	Feb-06	LR1	Dalian	BB-in
Compassion	72,782	Jun-06	LR1	Dalian	BB-in
FPMC P Eagle	74,834	Aug-09	LR1	STX	TC-in
Hafnia Africa	74,539	May-10	LR1	STX	BB-in
Hafnia America	74,999	Oct-06	LR1	Onomichi	100%
Hafnia Arctic	74,910	Jan-10	LR1	Brodosplit	BB-in
Hafnia Asia	74,539	Jun-10	LR1	STX	BB-in
Hafnia Australia	74,539	May-10	LR1	STX	BB-in
Hafnia Europe	74,997	Aug-06	LR1	Onomichi	100%
Hafnia Hong Kong ¹	75,000	Jan-19	LR1	GSI	50%
Hafnia Shanghai ¹	75,000	Jan-19	LR1	GSI	50%
Tectus	74,862	Jul-09	LR1	STX	TC-in
Beagle	50,000	Mar-19	MR	JMU	TC-in
BW Bobcat	49,999	Aug-14	MR	SPP	100%
BW Cheetah	49,999	Feb-14	MR	SPP	100%
BW Cougar	49,999	Jan-14	MR	SPP	100%
BW Eagle	49,999	Jul-15	MR	SPP	100%
BW Egret	49,999	Nov-14	MR	SPP	100%
BW Falcon	49,999	Feb-15	MR	SPP	100%
BW Hawk	49,999	Jun-15	MR	SPP	100%
BW Jaguar	49,999	Mar-14	MR	SPP	100%
BW Kestrel	49,999	Aug-15	MR	SPP	100%
BW Leopard	49,999	Jan-14	MR	SPP	100%
BW Lioness	49,999	Jan-14	MR	SPP	100%
BW Lynx	49,999	Nov-13	MR	SPP	100%
BW Merlin	49,999	Sep-15	MR	SPP	100%
BW Myna	49,999	Oct-15	MR	SPP	100%
BW Osprey	49,999	Oct-15	MR	SPP	100%
BW Panther	49,999	Jun-14	MR	SPP	100%
BW Petrel	49,999	Jan-16	MR	SPP	100%

Fleet list of delivered vessels (continued)

Vessel	DWT	Built	Type	Yard	Stake
BW Puma	49,999	Nov-13	MR	SPP	100%
BW Raven	49,999	Nov-15	MR	SPP	100%
BW Swift	49,999	Jan-16	MR	SPP	100%
BW Tiger	49,999	Mar-14	MR	SPP	100%
BW Wren	49,999	Mar-16	MR	SPP	100%
Hafnia Andromeda	49,999	May-11	MR	GSI	100%
Hafnia Ane	49,999	Nov-15	MR	GSI	100%
Hafnia Atlantic	45,967	Nov-04	MR	STX	100%
Hafnia Crux	52,550	Feb-12	MR	GSI	100%
Hafnia Daisy	49,999	Aug-16	MR	GSI	100%
Hafnia Henriette	49,999	Jun-16	MR	GSI	100%
Hafnia Kirsten	49,999	Jan-17	MR	GSI	100%
Hafnia Lene	49,999	Jul-15	MR	GSI	100%
Hafnia Leo	52,340	Nov-13	MR	GSI	100%
Hafnia Libra	52,384	May-13	MR	GSI	100%
Hafnia Lise	49,999	Sep-16	MR	GSI	100%
Hafnia Lotte	49,999	Jan-17	MR	GSI	100%
Hafnia Lupus	52,550	Apr-12	MR	GSI	100%
Hafnia Mikala	49,999	May-17	MR	GSI	100%
Hafnia Nordica	49,994	Mar-10	MR	Shin Kurushima	100%
Hafnia Pegasus	50,326	Oct-10	MR	GSI	100%
Hafnia Phoenix	52,340	Jul-13	MR	GSI	100%
Hafnia Taurus	50,385	Jun-11	MR	GSI	100%
Orient Challenge	49,972	Jun-17	MR	Hyundai Vinashin	TC-in
Orient Innovation	49,972	Jul-17	MR	Hyundai Vinashin	TC-in
Hafnia Adamello	39,807	Aug-04	Handy	Saiki	100%
Hafnia Bering	39,067	Apr-15	Handy	HMD	100%
Hafnia Green	39,808	Aug-07	Handy	Saiki	100%
Hafnia Hope	39,814	Jan-07	Handy	Saiki	100%
Hafnia Karava	39,814	Mar-07	Handy	Saiki	100%
Hafnia Magellan	39,067	May-15	Handy	HMD	100%
Hafnia Malacca	39,067	Jul-15	Handy	HMD	100%
Hafnia Rainier	39,817	Mar-04	Handy	Saiki	100%
Hafnia Robson	39,819	May-04	Handy	Saiki	100%
Hafnia Soya	38,700	Nov-15	Handy	HMD	100%
Hafnia Sunda	39,067	Sep-15	Handy	HMD	100%
Hafnia Torres	39,067	May-16	Handy	HMD	100%
Hafnia Victoria	39,821	Jun-07	Handy	Saiki	100%

¹ Hafnia Hong Kong and Hafnia Shanghai are owned through 50% ownership of Vista Shipping Ltd.