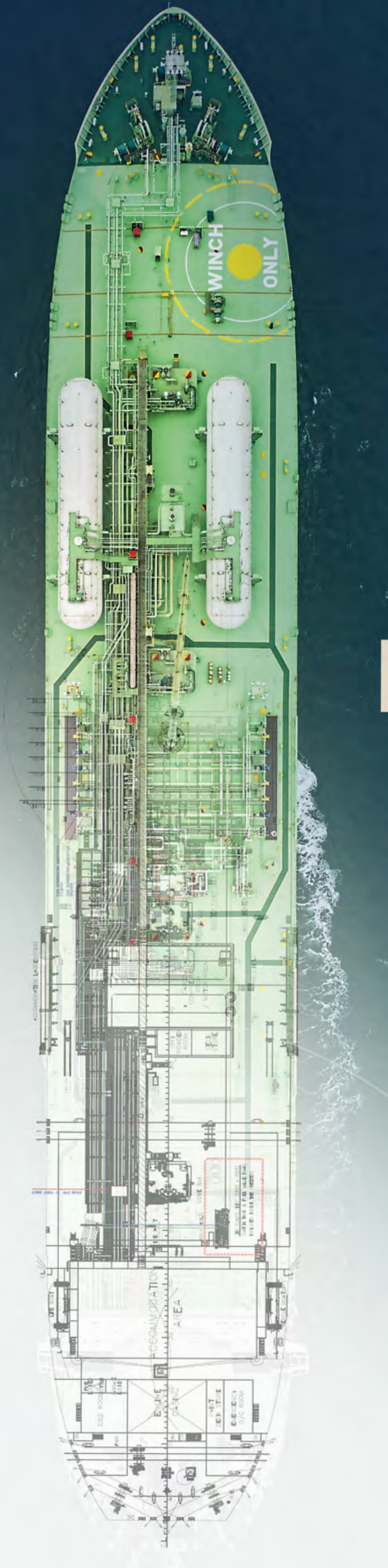
BW LPG

EMPOWERING THE FUTURE




WINCH
ONLY

At BW LPG, we are on a journey to create zero-carbon shipping.

Now, with LPG propelling our biggest carriers, we are well on our way.

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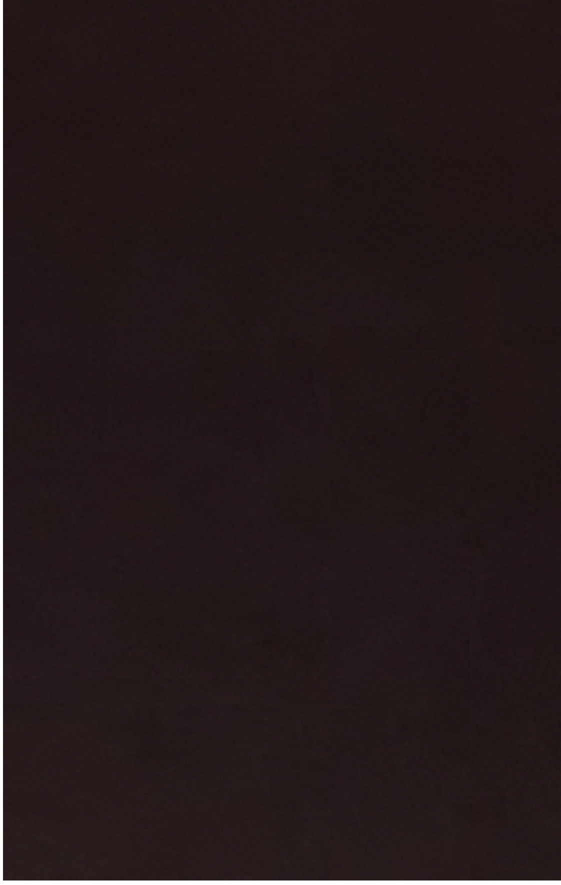
MESSAGE FROM THE CHAIRMAN AND THE CEO



IT IS RESILIENCE AGAINST STRONG HEADWINDS THAT DEFINES WHO WE ARE AS A COMPANY

2020 has been a tumultuous year. The COVID-19 pandemic continues to threaten health and disrupt economic activity, putting millions of jobs at risk along with the well-being of individuals and families. BW LPG has focused on ensuring that our 2000 or so colleagues around the world, on shore and at sea, remain safe. We are proud of the determination and commitment demonstrated by our employees in the face of this crisis.

The pandemic has meant increasing uncertainties and difficulties over port access, supplies, crew changeovers and repatriation. While we all battle our own challenges on the personal and professional fronts, we thank the men and women at sea who keep global trade going even as they face unprecedented periods away from home due to global travel restrictions. It is such resilience against strong headwinds that defines who we are as a company.

Another major challenge of our time is to reduce the industry's environmental footprint. On this front, we announced the successful retrofitting of the Very Large Gas Carrier (VLGC), BW Gemini, with pioneering LPG propulsion technology in October. She is the world's first VLGC to cross the Pacific Ocean while powered by LPG, and she subsequently undertook the largest load of LPG on a single keel (49,000 metric tonnes). BW Gemini is the first of 15 vessels we have committed for retrofitting with LPG propulsion technology, representing our commitment to sustainable development. We are taking the lead and advancing technology that will allow us to decarbonise and maximise the value of an asset with a remaining lifespan of 20 years or more.

Financial Performance

The shipping market at the start of 2020 continued 2019's positive performance, supported by resilient LPG exports out of the US, recovery in LPG exports from the Middle East, and a widening arbitrage driven by strong demand and reduced fleet availability. VLGC freight rates collapsed at the end of the second

quarter but recovered quickly from Q3. For all of 2020, our TCE income reached US$551 million, and we secured a net profit of US$244 million compared to US$274 million in 2019. We have paid dividends for the past six quarters and returned a total of US$0.84 per share (US$116.4 million) in FY2020 to our shareholders.

Corporate Performance

We announced the sale of Berge Summit in July, securing an attractive price for an older vessel. In December 2020 and February 2021, BW Cedar and BW Elm were respectively added to the fleet of our joint venture company (JV) BW Global United LPG India Private Limited in India. All five vessels are on time charter contracts to major Indian oil companies to supply India with LPG. India is the world's second largest LPG import market, and our JV, currently the largest VLGC operator in India, is well-positioned to capture growth opportunities.

Environment, Social and Governance (ESG)

As part of our continued emphasis to report transparently on our impact from operations, we present our inaugural standalone Sustainability Report. Since 2017, we have structured our Sustainability reporting within our Annual Reports in alignment with the United Nations Sustainability Development Goals and referenced the Global Reporting Initiative (GRI) Reporting Standards. This year, we hold ourselves to even higher standards of sustainable operations and reporting.

Organisation

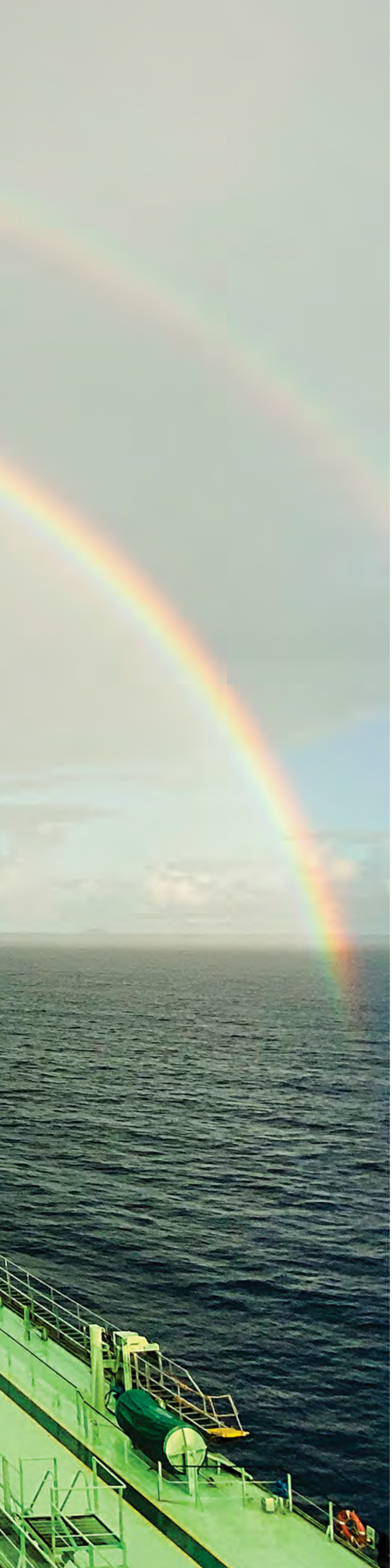
We thank Mr John Harrison and Mr Andreas Beroutsos, who stepped down from the Board in May, for their strong contributions during their tenure. Mr Andreas Beroutsos continues to be part of the larger BW Group in his new capacity as Managing Director leading investments in alternative energy solutions. Our special thanks to Mr John Harrison, who was Vice-Chairman of the Board since BW LPG's listing on the Oslo Stock Exchange in 2013. We welcome Ms Sonali Chandmal and Mr Andrew E. Wolff as members of the Board and look forward to their counsel.

Looking Ahead

We sail into 2021 with cautious optimism. The full effects of COVID-19 and the rate of recovery are uncertain, and extraordinary policies are needed to help shape global economic and social recovery, while keeping climate impact in mind.

As an energy source, we believe that LPG can serve as an empowering fuel – uplifting communities and saving lives when it replaces harmful fuel sources such as wood and charcoal; reducing greenhouse emissions and lowering operational costs when used to power vessels; and pushing technology towards a zero-carbon future.

We are confident that we will continue to successfully navigate uncertain times and create shareholder value through the dedication and hard work of all at BW LPG.



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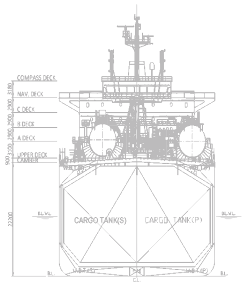
AT A GLANCE



2.1

ABOUT US

BW LPG is the world's largest owner and operator of very large liquefied petroleum gas carriers

2000+

Employees and crew

46

Very Large Gas Carriers

50+

Years of Operating Experience

PURPOSE

Towards a Better World

WHAT WE DO

We transport LPG safely and sustainably to world markets. We use our scale and maritime expertise to help propel the world's transition towards a cleaner source of energy.

ASPIRING TOWARDS A BETTER WORLD

Driving the world's energy transition by delivering a cleaner source of energy

Conducting sustainable business practices and reducing environmental impact

Working for customers, investors and society

VALUES

In order to achieve our purpose as a company, we aim to be **Collaborative**, **Ambitious**, **Reliable** and **Enduring** in all that we do

WE ARE A GLOBAL LEADER IN LPG SHIPPING

Flexible and reliable service

LPG-propelled VLGCs with industry's lowest emissions levels

Strong brand and customer relations

2.2

OUR HISTORY

Celebrating our legacy, and advancing with the times

In 1955, Sir Yue-Kong (Y.K.) Pao bought his first vessel, a 27-year-old freighter renamed the Golden Alpha, and founded World-Wide Shipping. In 2003, World-Wide Shipping acquired Bergesen, Norway's largest shipping company founded in 1935; and in 2005, the business was re-branded as BW. The LPG segment of the BW business was listed on the Oslo Stock Exchange in 2013. Today, BW LPG owns and operates the world's largest fleet of Very Large Gas Carriers (VLGCs) and continues to deliver sustainable growth and value for our stakeholders.

Founded by Sir Y.K. Pao
1955

Acquired N&T Argonaut
1999

1969
Launch of first VLCC World Chief

1979
Became the largest independent ship owner with 200 vessels

2003
Acquired and de-listed Bergesen

Entry into the dry bulk market
1967

Listed on the Oslo Stock Exchange
1986

1935
Founded by Sigval Bergesen

1970s
Entry into gas market

BW LPG

2005
A common identity with Bergesen Worldwide Gas ASA

2006
Listed BW Offshore

Listed BW Gas

Acquired Yara's gas fleet

2007
Acquired APL

2008
Leading owner in LPG, LNG, VLCC, Product Tanker and Offshore segments

2009
Privatised BW Gas

2012
Sold APL and acquired Prosafe Production

2013
Listed BW LPG

Acquired Maersk Tankers' VLGC fleet

2014
Took delivery of one newbuilding from HHI

2015
Took delivery of five newbuildings from HHI

2016
Acquired Aurora LPG

Took delivery of four newbuildings from HHI and DSME

2017
Established India Joint Venture

Took delivery of one newbuilding from DSME

2018
Announced plan to retrofit VLGCs with pioneering LPG propulsion technology

2019
Launched Product Services Division

Took delivery of one newbuilding from MHI

Divested two LGCs

2020
BW Gemini, BW Leo and BW Orion are the world's first vessels to be retrofitted with pioneering LPG propulsion technology

Our India JV becomes India's largest VLGC owner and operator

2.3

EMPOWERING OUR FUTURE

Supporting the global transition towards cleaner-burning energy

As we navigate an unprecedented global pandemic, it is more important than ever to safeguard the wellbeing of our crew and employees, while delivering cleaner energy the world needs. The momentum and level of urgency to act on climate change continues to grow, and we believe that LPG will play a key part in our decarbonisation journey.

As we worry about the environmental effects of greenhouse gases, we must also care for the people around the world struggling to meet the basic needs of food, shelter, and security. Energy is a critical enabler to lift people out of poverty, and LPG can be an empowering fuel. In this regard, BW LPG is pleased to showcase in our inaugural standalone Sustainability Report, our efforts to bring cleaner-burning energy to communities around the world.

A multi-purpose, cleaner-burning energy

Millions of people currently use LPG and depend on it for a wide variety of applications, in commercial business, industry, transportation, farming, power generation, cooking, heating and for recreational purposes.

Many uses for LPG, one way to ship it sustainably

BW LPG is the global pioneer in the use of LPG as marine fuel in large commercial vessels - LPG is powering our VLGCs while minimising our impact on the environment. With over 50 years of experience in LPG handling, we look forward to demonstrating its benefits to the industry and preparing for the future of zero-carbon propulsion.

2.4

2020 IN NUMBERS

Delivering value to shareholders in a challenging year

ENVIRONMENTAL

CARBON INTENSITY

7.6
AER
Grams of CO_2 per tonne-nautical mile

17.1
EEOI

0
Spills to sea

SAFETY

0
Fatalities

0.14
Loss Time Injury Frequency Rate(LTIF)

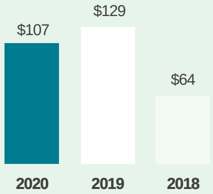
0.86
Total Recordable Case Frequency Rate (TRCF)

THE MARKET IN 2020

The VLGC freight market was supported by strong market demand in addition to shipping inefficiencies from port and bunkering delays, crew changes and a heavy drydock schedule.

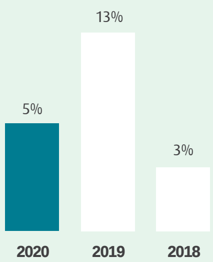
LPG Price Arbitrage US-Far East

$107
US$/Metric tonne



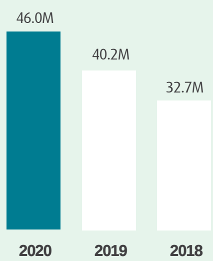
Y-O-Y Growth

5%
VLGC Tonne-mile Growth



LPG Exports

46.0M
Metric tonnes (North American)



$551M
TCE Income (US$)

$414M
EBITDA (US$)

$0.84
Dividend/Share (US$)

FINANCIAL

98%
Commercial Utilisation

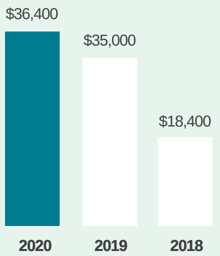
74%
Spot Exposure

$38,900
Spot TCE/day (US$)

COMMERCIAL

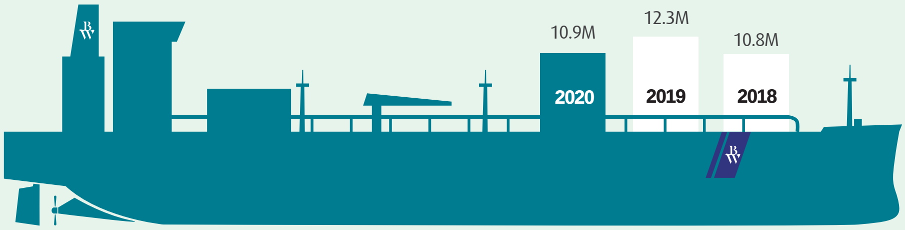
TCE/Day

$36,400
US$/Day



Cargo carried in 2020

10,852,446
Metric Tonnes

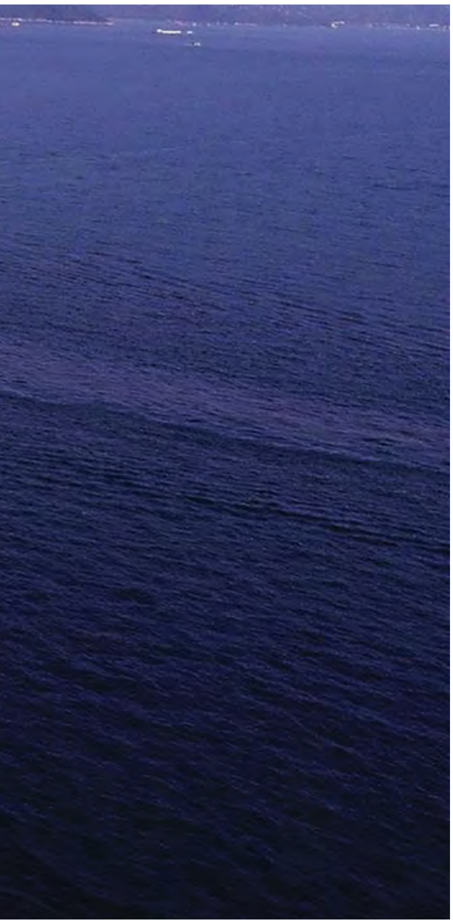


2.5

BUSINESS HIGHLIGHTS

1

MAKING A POWER MOVE ON CLIMATE CHANGE



Powering our future, Propelling our fleet

As the world's largest owner and operator of VLGCs, we have a responsibility and an opportunity to lead the industry in tackling one of the most important challenges of our time, which is to decarbonise shipping operations.

The technology needed to power huge two-stroke diesel engines on liquid gas injection propulsion was not available, and market demand was nascent. Using decades of maritime and gas experience, the team at BW LPG went to work. In collaboration with MAN ES, Wärtsilä, DNV and Isle of Man flag state, BW LPG invested in research and development and now, four years later, is delivering from this collaboration. BW LPG has committed 15 of its VLGCs to be retrofitted with LPG dual-fuel propulsion engines, a commitment of over US$130 million.

How LPG propulsion works

During each of these vessel's regularly scheduled dry-docks, two LPG deck tanks are installed on deck. These tanks are filled using the cargo system during loading. LPG is drawn from the tanks into a fuel gas supply system and piped to the engine. A small amount of compliant pilot fuel, such as diesel, is injected into the engine as the piston nears the top. It sparks under pressure, and LPG burns to create propulsive force.

Significant benefits of LPG propulsion

LPG propulsion engines offer significant environmental, operational and economic benefits. With LPG as fuel, we reduce emissions to air, gain operational efficiencies, and benefit from cost savings. Even though LPG is not a zero-carbon fuel, the technology is an important stepping stone on the journey to full decarbonisation.

2.5

A Summary of Benefits

Acting for the Future

- Compliance with current and future SOx emission requirements, including ECA and SECA areas
- Technology for LPG marine engines is a necessary and complementary step towards zero-carbon propulsion technology

Environmental Excellence

- Reduce emissions of Sulfur Oxides (~97%), Particulate Matter (~90%), Carbon Dioxide (~25%) and Nitrous Oxides (~20%)
- Move maritime industry closer to a cleaner future of zero-carbon propulsion

Operational Efficiencies

- Improve output efficiencies by ~11%
- Easy storage, faster refueling
- Wide availability of bunker ships and facilities
- Seamlessly switch between LPG and compliant fuels
- Eliminate bunker quality issues and spill risks

Economic Efficiencies

- Savings from improved total voyage fuel economics
- Buffered from fuel price sensitivity with full dual-fuel flexibility
- Increased commercial availability as we refuel while loading, and do not need additional time to bunker
- Cleaner engines, cheaper maintenance

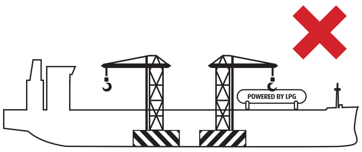

NO SMOKING
NO SMOKING
POWERED BY L
BW LEO

2.5

Retrofits versus newbuilds

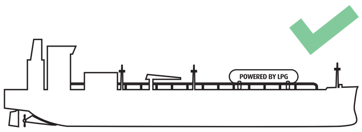
A further benefit of LPG propulsion is that it can be retrofitted to existing vessels. **Building new ships can provide the benefits of operating with the new fuel, but this comes with a heavy carbon cost. Counting total emissions, a new ship represents about 70,000 tonnes of CO_2 in the materials and building process. Compared to 2,000 tonnes of CO_2 for retrofitting, the sustainability outcome is much better from retrofitting than from building new vessels.**

NEWBUILD



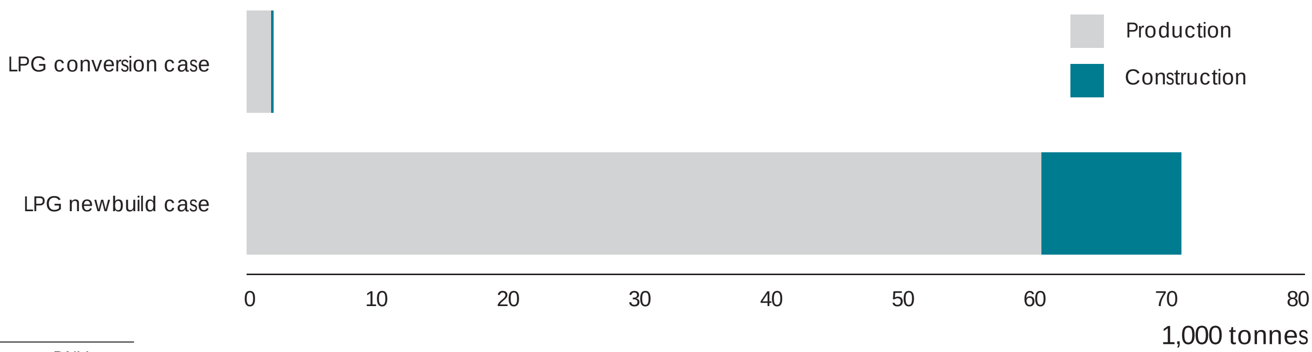
- Emits **more carbon during construction**
- Takes **2 years** to complete
- Environmental **payback of 15 years**

RETROFIT



- Emits **97% less carbon during construction**
- Takes **2 months to complete**
- Environmental **payback of less than 6 months**
- **Does not add unneeded shipping capacity to the market**

CO_2 EMISSIONS[1]

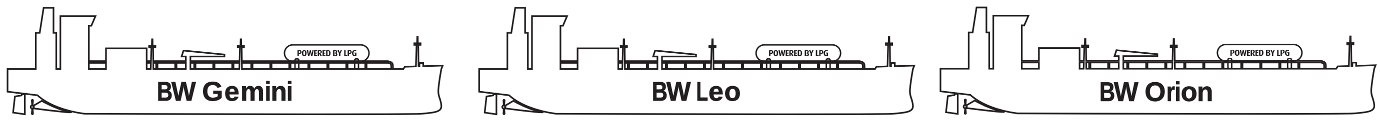


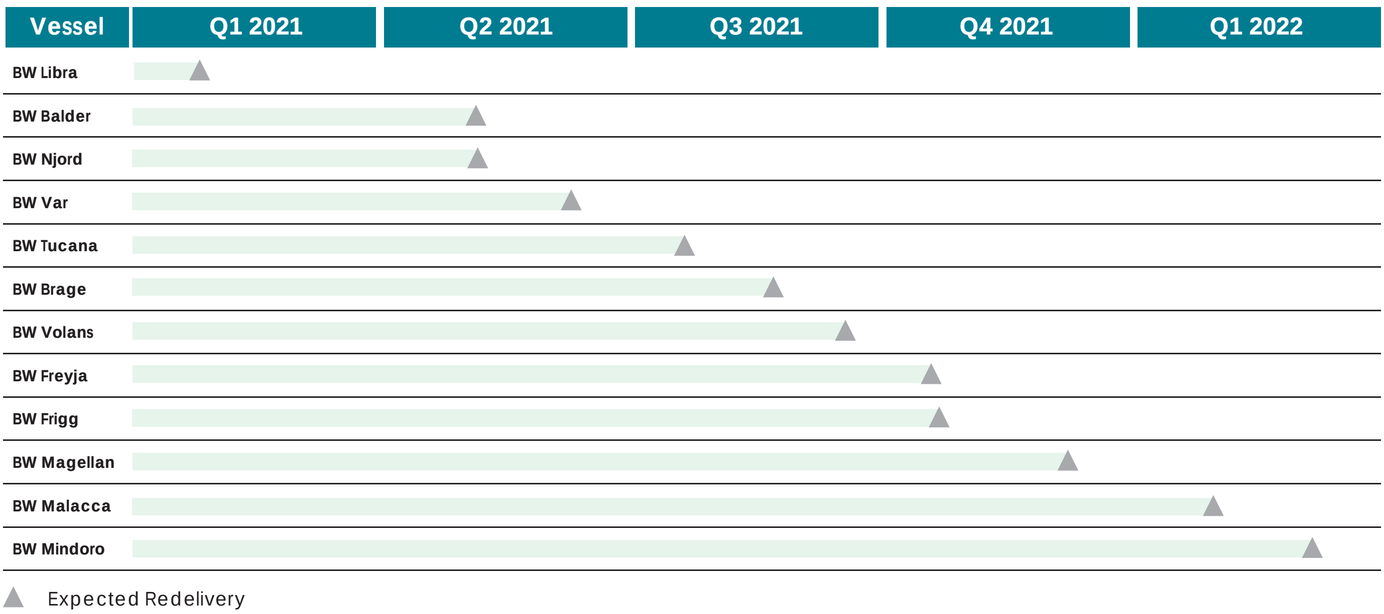
1 Source: DNV

A sea change with BW Gemini

As the first of 15 vessels we have committed for retrofitting, BW Gemini is a demonstration of not only fuel savings and operational efficiencies, but also a commitment to reduce greenhouse gas emissions and fight climate change. With this pioneering technology, BW LPG is advancing technology towards zero-carbon propulsion.

THREE VESSELS DELIVERED IN 2020





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LPG IN INDIA

Meeting growing demand with decades of operating experience

An opportunity to do good while doing well

In India, indoor pollution from cooking with biomass is estimated to cause about 1.1 million deaths per year[1]. In response, the government of India has launched a program to bring LPG access to 80 million households below the poverty line. Through our Indian Joint Venture (JV), BW Global United LPG India, we are increasing LPG imports into India to support the transition to cleaner burning energy. When LPG replaces dangerous sources of traditional fuels, it directly saves lives.

An increasingly important market for LPG

India is the world's second largest importer of LPG, and long-term trends are expected to support growing domestic demand.

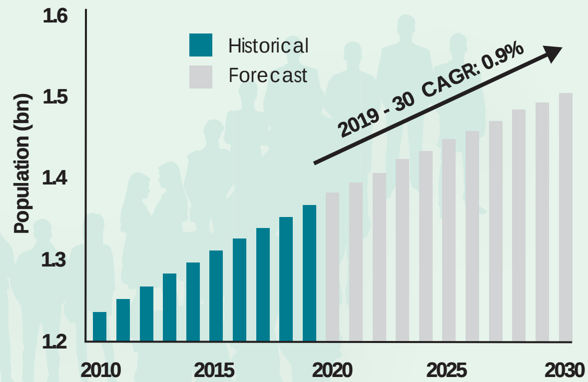
Imports of LPG grew 12.5% over the past five years to 12 million metric tonnes in 2018-19, and are projected to rise 34% from 2014 to 2025. LPG growth is driven primarily by increased retail demand and strong government support for LPG consumption. Investments in import infrastructure and biomass displacement also support demand.

LPG demand in the residential sector is expected to increase at a cumulative annual growth rate (CAGR) of 3.3%, reaching 34 million tonnes in 2030 as households' dependence on traditional biomass diminishes in the long run, supported by rising average household income, increasing urbanisation, and government schemes to help families switch from traditional biomass to LPG.

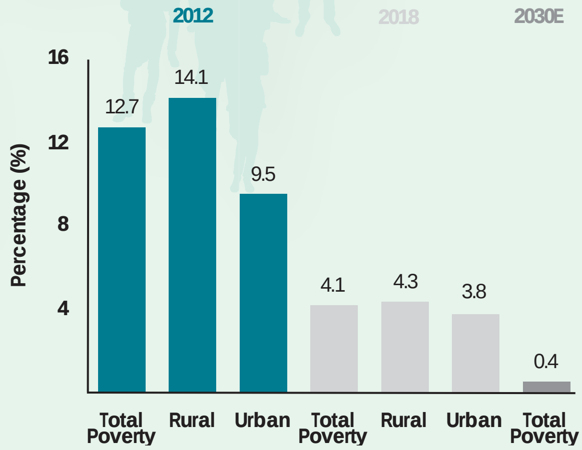
1 Source: World LPG Association

LPG DEMAND GROWTH IN INDIA IS SUPPORTED BY LONG-TERM TRENDS

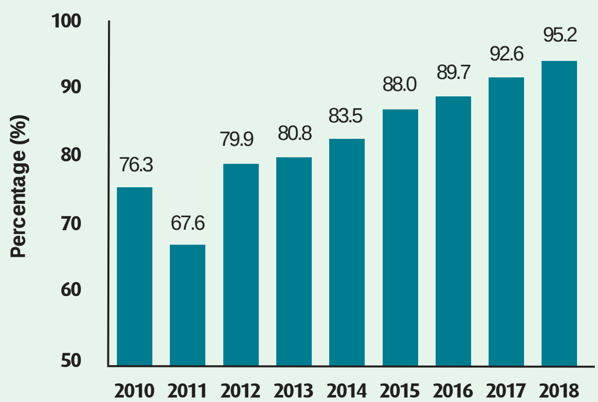
India is projected to become the most populous country in the world by 2027



Achieved a sharp reduction in extreme poverty[2]



Increasing grid connectivity to improve living standards



2 Extreme poverty defined as income of US$1.90 per day in 2011 PPP (World Bank definition)
Source: UN, World Bank, World Data Lab, Forbes

2.5

A leading role in the Indian growth story

In the three years since inception in July 2017, BW LPG's JV has increased its fleet to five vessels, becoming India's largest owner and operator of VLGCs. The VLGCs are maintained to world-class standards and are positioned to support the growing Middle East- India time charter market.

BW Global United LPG India offers customers in India the assurance of over 50 years of operating experience, access to a large pool of experienced employees with extensive industry experience, a strong brand and industry-leading customer relations.

Towards a better world with LPG

At the core of our sustainability approach is the purpose of our Company – where we work towards a Better World. We want to take the lead in transitioning the world towards cleaner energy, and in the process be a trusted, transparent, and reliable partner for our stakeholders. It is in India where we can showcase how energy can be used to uplift communities, and how companies can do good while doing well.

Supporting the Supply Side with our Strengths

Scale and experience

- Largest fleet of LPG carriers in India allowing for economies of scale and commercial flexibility
- 50 YEARS — Over 50 years of operational track record and know-how
- Conservative strategy with proven ability to navigate the LPG shipping markets
- Long term industrial and strategic focus within the LPG value chain with ambition to expand in India

Strong commercial management

- Strong reputation for providing safe, reliable and efficient LPG transportation solutions
- Long-standing customer relationships
- Data driven approach to freight pricing and decision making

Low cost structure

- Lean operating structure with competitive G&A
- Well-maintained and efficient fleet with low vessel OPEX
- Highly competitive financing costs and a strong credit profile

SOLID CONTRACT COVERAGE

INDIAN CONTRACTS WITH STATE-OWNED OIL REFINERS

Vessel name	Built	Size (CBM)	Builder	Country Yard	Indian Flag	Indian TC
BW Birch	2007	82,291	Hyundai HI	KR	✓	✓
BW Energy	2002	82,200	Kawasaki HI	JP	✓	✓
BW Boss	2001	84,333	Kawasaki HI	JP	✓	✓
BW Cedar	2007	82,291	Hyundai HI	KR	✓	✓
BW Elm	2007	82,291	Hyundai HI	KR	✓	✓

MAKING LIVES BETTER WITH LPG

LPG Saves Lives

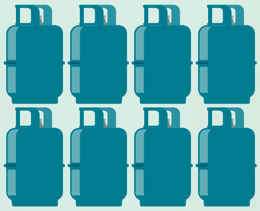
- **4.3 million people** die from cooking-related indoor air pollution globally every year
- More people die from this illness than from Malaria, HIV/AIDS and Tuberculosis combined

- **51% of the 2.1 billion** people in India and China still use solid fuels for cooking
- India uses wood fuel more than any other country

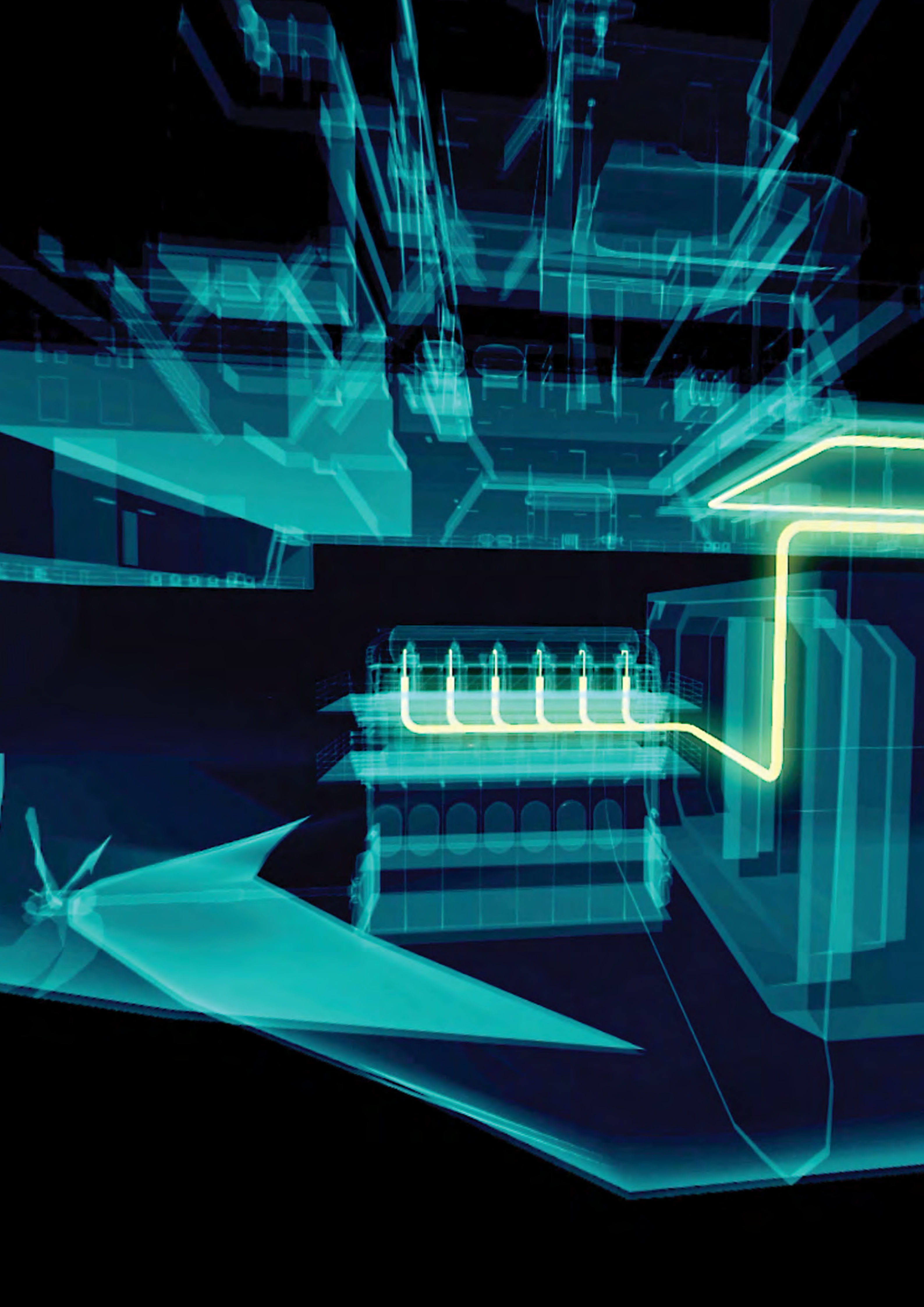
LPG Makes Sense

- Gas is nature's **cleanest** fossil fuel, generating **the lowest CO_2 emissions** per unit of energy

- **LPG is economical.** It contains higher calorific value per unit than other commonly used fuels



- **LPG is portable,** and can be stored and transported easily in containers adapted to local market requirements



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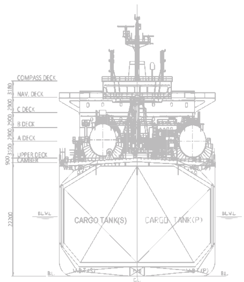
PERFORMANCE



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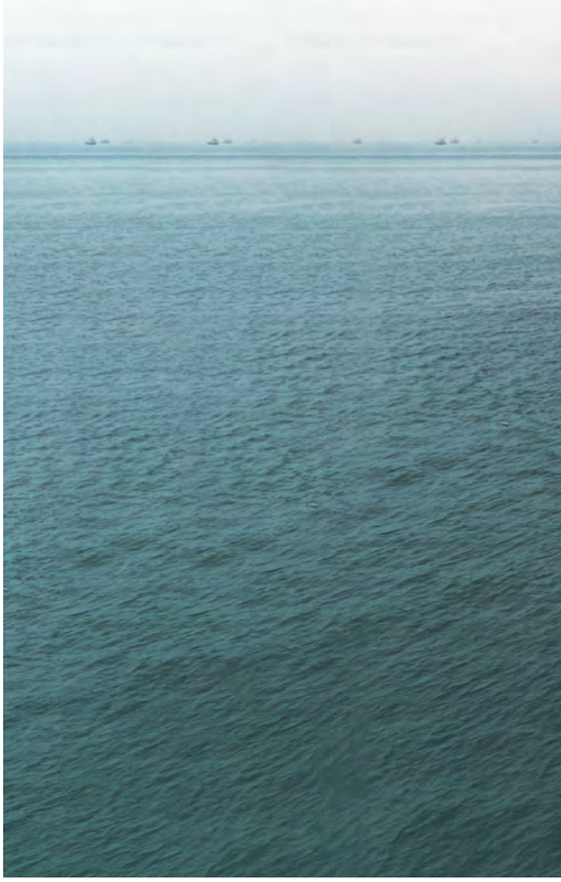
COMMERCIAL



Starting the year strong

2020 began with strong market fundamentals. Our internal research also foresaw continued positive freight markets for the year. In order to capture expected upside in the spot market, we positioned ourselves with a low contract coverage of 7% at the end of 2019.

Reacting quickly to volatility

Towards the end of Q1, the fundamentals changed after oil prices collapsed because of a price war between the Organisation of Petroleum-Exporting Countries (OPEC) and Russia, and the growing spread and concern over COVID-19. In April, OPEC and Russia were forced to end the price war, leading to record-high cuts in oil production.

With the sudden change in market fundamentals, we rapidly increased our time charter coverage to 25% for 2020 and 14% for 2021 at healthy levels, before the market plummeted. At the end of Q2, VLGC freight rates collapsed to OPEX levels. During this challenging period, customers preferred to deliver LPG cargoes rather than charter vessels. This change in customer behavior benefitted BW LPG, as we could leverage our Product Services division and offer customers a low-risk and fully-integrated product delivery service.

The Product Services division complements our core shipping business, and in 2020 has helped to maintain an industry-leading commercial utilisation rate of 98% for our fleet.

A V-shaped recovery in Q3

At the beginning of Q3, LPG demand from propane dehydrogenation (PDH) and steam cracking started to recover due to improving margins, and the commissioning of new Chinese PDH plants also added incremental import requirements. In addition, US LPG production remained resilient despite low upstream activities. Internal research indicated a V-shaped recovery in the VLGC freight market, and we took on contract coverage at a slower pace.

Navigating uncertainties with data and discipline

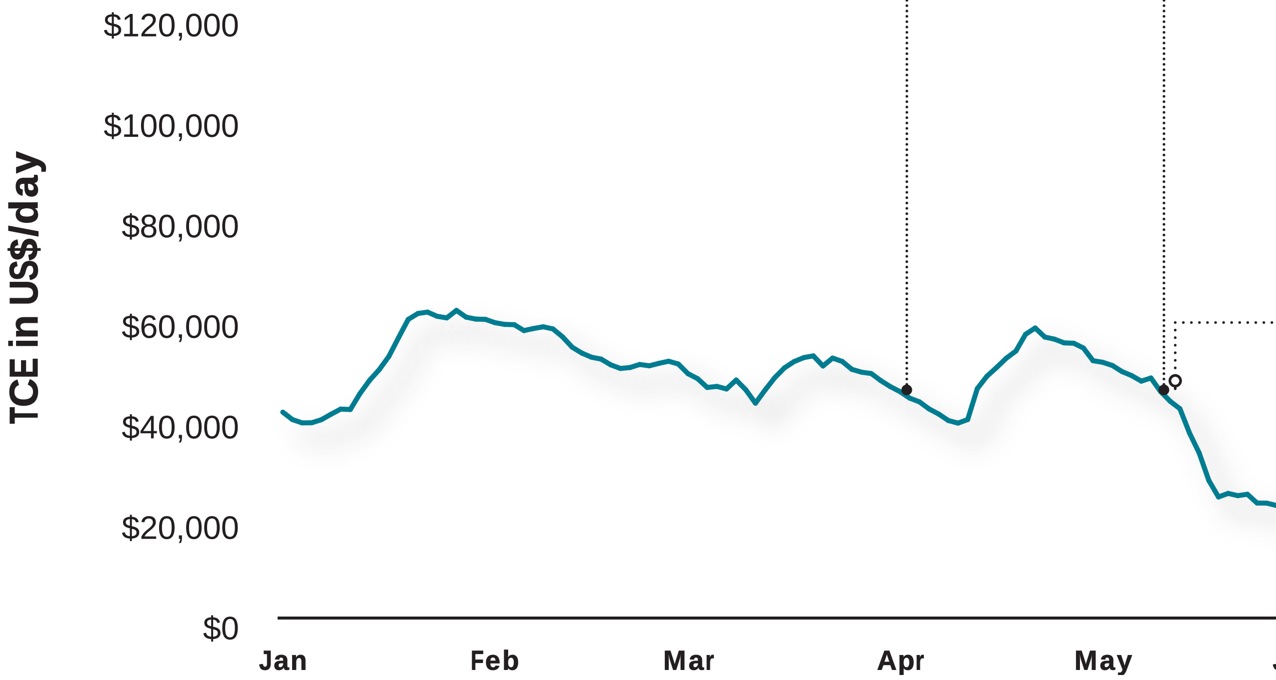
In 2020, we achieved a fleet-wide VLGC TCE rate of US$37,900/day on available days. Our balanced portfolio, strong commercial performance and best in class operational management have shielded us from market downturns and positioned us well when markets recovered.

We remain committed to a sustainable asset management strategy. We focus on optimising our existing fleet, investing millions to upgrade younger vessels with LPG dual-fuel propulsion technology. This pioneering technology will help our industry decarbonise without the need for dedicated newbuilding orders.

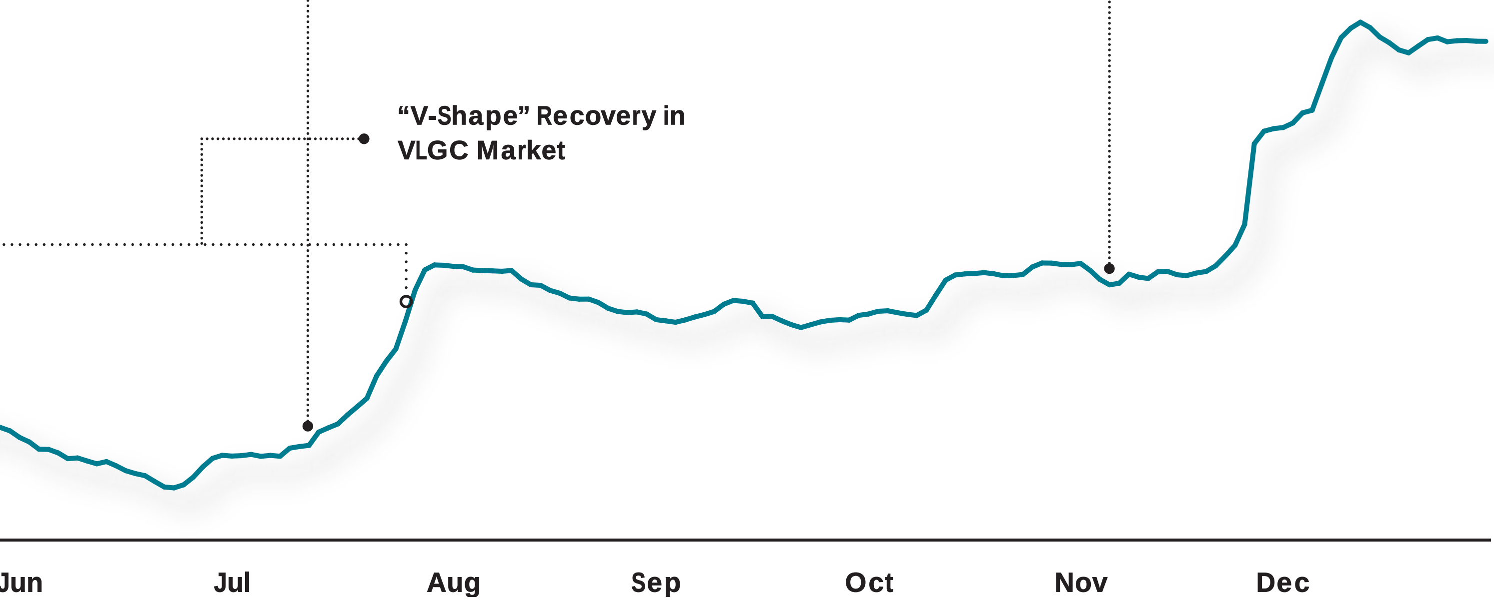
To capture growth opportunities in India, we increased our presence with more time charter fixtures and doubled our fleet in our Indian Joint Venture.

3.1 1 2020 MARKET PERFORMANCE

	JAN - MAR	APR - MAY	
MACRO ENVIRONMENT	Saudi Arabia initiates oil price war against Russia VLGC freight rates remain strong with little impact from COVID-19	COVID-19 becomes a global pandemic, and lockdowns are imposed in many countries	Oil pric followi
LPG SUPPLY	Strong US LPG production and exports Increased LPG production from Middle East and Russia due to ramping up of oil production following oil price war	LPG exports continue to be strong due to lagged impact from production changes	Reduc OPEC+ resultin the Mi
LPG DEMAND	Lower Chinese import demand due to COVID-19 and Chinese New Year However, LPG demand from other regions remains healthy	Surge in retail demand in countries such as India and Brazil	Steam reduce retail d norma
FLEET SUPPLY	12 VLGCs were delivered in Q1 2020, adding tonnage to the global VLGC fleet Waiting days in Panama Canal transit increases due to seasonally strong LNG vessel transits	Delays at discharge ports due to COVID-19 measures, especially in India	Ample dema The im trader

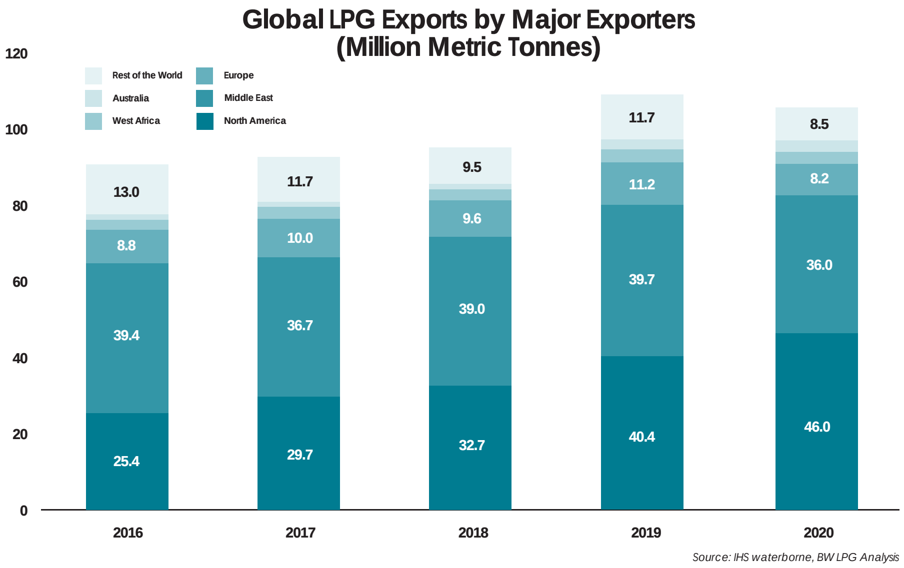


MAY - JUL	JUL - NOV	NOV - DEC
ces start to show recovery ng historic OPEC+ cuts	WTI oil prices fluctuate around $40/bbl Lockdown measures start to ease but the second wave of COVID-19 persists	WTI oil prices strengthen Second wave of COVID-19 persists
tion in US oil production - production cuts begin, g in less LPG exports from ddle East	US LPG production remains resilient despite lower upstream oil and gas productions Middle East LPG exports recover as OPEC+ progressively ramps up oil production	US production remains robust Continued production cuts in the Middle East
cracking demand ed due to low margins; emand returns to l levels	PDH and steam cracking demand start to recover due to increasing margins Commissioning of new Chinese PDH plants add incremental demand	Strong winter demand in Asia, especially due to a cold winter
e fleet supply with low nd for vessels pacts are amplified by s' relets into the market	Vessel availability is reduced by slow steaming and longer voyage routes Market further supported by shipping inefficiencies such as heavy drydock schedules and port delays	Waiting days in Panama Canal transit surges to 14 days



3.1 2 2020 IN FOUR CHARTS

I US LPG exports remained resilient despite lower oil and gas productions

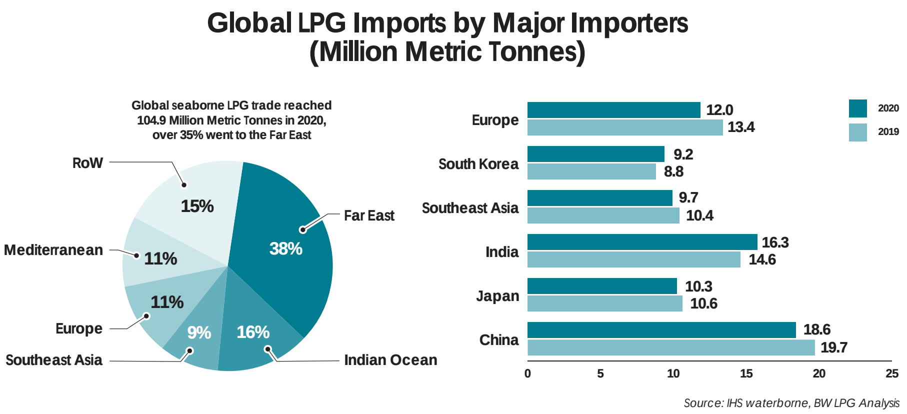


Due to the weak oil price environment and OPEC+ production cuts, global LPG exports by all major exporters declined except for North America.

Total North American exports increased by 14% to 46 million metric tonnes in 2020, driven by strong LPG production from the US despite lower upstream oil and gas productions.

BW LPG lifted 7.5 million metric tonnes from the US alone, which was 16.2% of the total North American LPG exports.

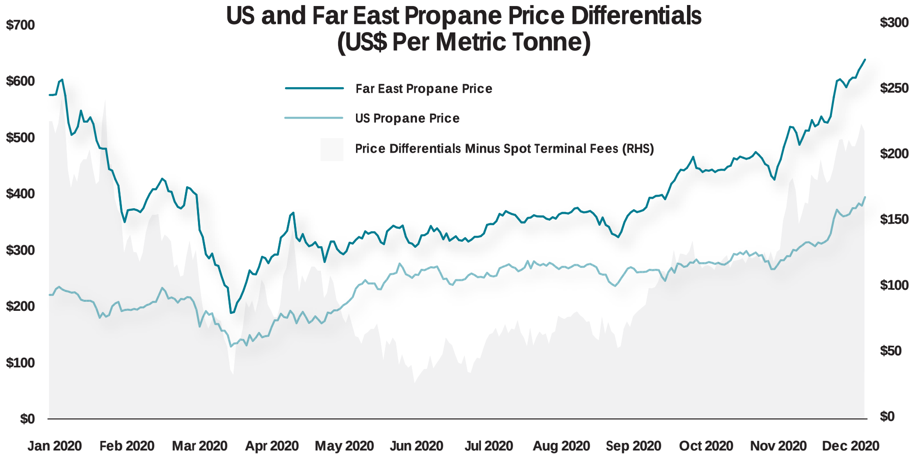
II Asia continues to be the main driver of global LPG import demand



Chinese LPG import demand fell in 2020 due to lower retail demand and increased domestic production. However, several new Propane Dehydrogenation (PDH) plants came onstream in 2020, adding incremental demand.

India continues to be the most consistent and meaningful driver of LPG demand and is now the second largest LPG importer after China.

III LPG price differentials narrowed when oil price collapsed, but recovered and remained wide open towards end-2020

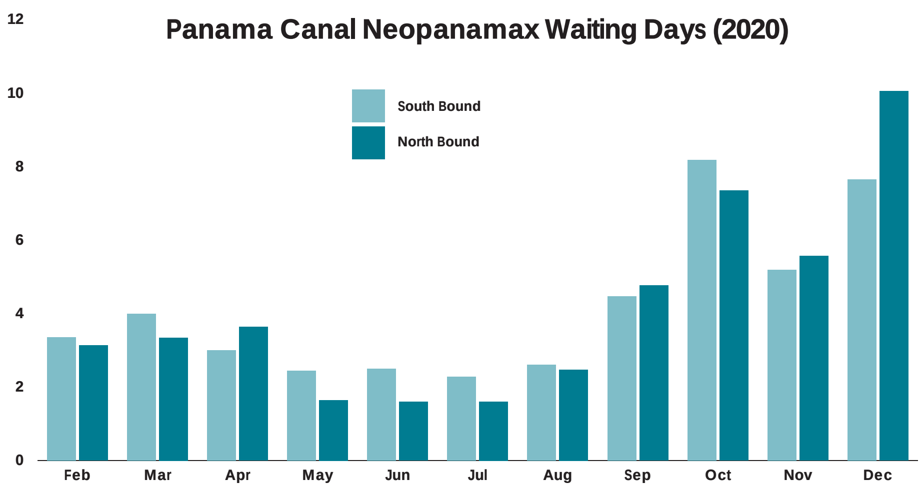


Source: Argus, BW LPG Analysis

Following the collapse of oil prices in March, LPG price differentials also fell. BW LPG's Product Services division helped improve utilisation during periods of weaknesses in Q2. Price differentials started to improve in Q3 with improving demand for LPG imports.

Shipping inefficiencies such as weather disruptions in the US, bunkering delays, heavy dry dock schedules, abnormal waiting times in the Panama Canal and discharge port delays supported the widening LPG price differentials in Q4.

IV Increasing delays in Panama Canal transits in Q4 supported a surge in VLGC spot rates



Source: Wilhelmsen

Due to COVID-19 restrictions and seasonally strong LNG and container vessels transits via the Panana Canal, Southbound traffic reported 14-day delays in late December. Heavy congestion in Panama Canal pushed VLGC rates to over US$100,000/day.

Other shipping inefficiencies such as a heavy drydocking schedules, delays at discharging ports and bunkering ports, weather disruptions in the US loading ports also supported the VLGC freight market in 2020.

3.2

FINANCIAL

	2020 US$ Million	2019 US$ Million
Results		
Time charter equivalent income	551	547
EBITDA	414	399
Net Profit	244	274
Balance Sheet		
Vessel net book value	1,754	1,904
Total assets	2,417	2,549
Total cash and cash equivalents	90	112
Total borrowings and lease liabilities	1,046	1,282
Shareholders' equity	1,252	1,177
Cash Flows		
Operating	398	334
Investing	(2)	39
Financing	(433)	(329)
Free cash flow	331	312
Available liquidity (including undrawn facility)	286	294
Per Share Data	US$	US$
Earnings per share	1.76	1.97
Net asset value per share	9.06	8.49
Dividends per share	0.84	0.85
Per Day Costs		
Vessel calendar days[1]	16,259	16,450
OPEX per day[2]	7,668	7,225
NPAT breakeven per day[3]	21,062	19,560
Ratios		
Earnings Yield	25.6%	23.5%
Returns on Equity	20.1%	25.3%
Returns on Capital Employed	11.8%	13.9%
EBITDA Margin	75.2%	72.9%
Net Leverage Ratio	44.2%	50.2%

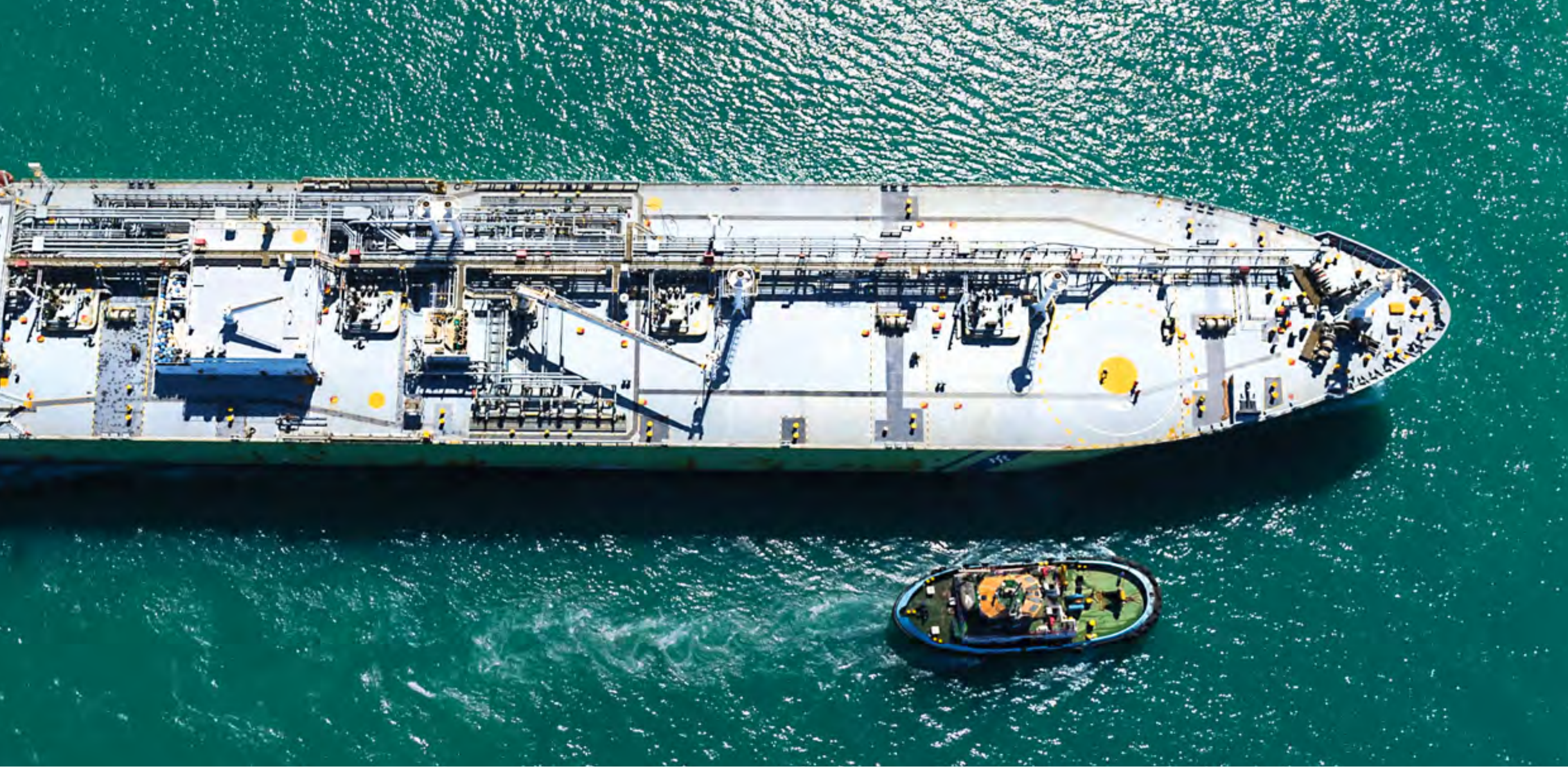
US$414M
EBITDA
US$15M YoY

US$244M
NET PROFIT AFTER TAX
US$30M YoY

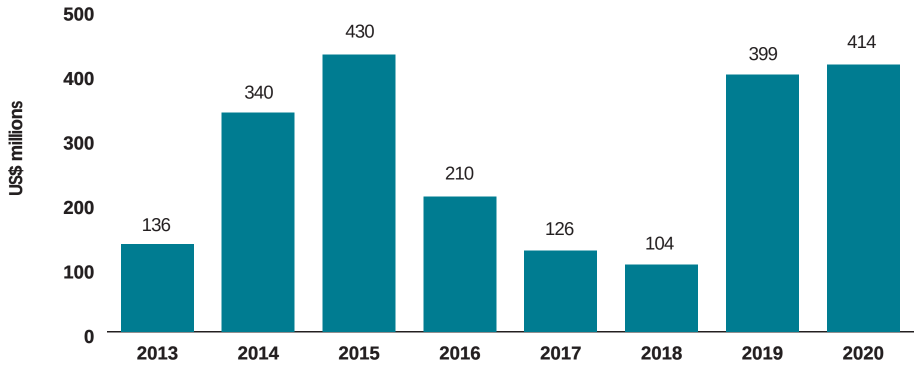
US$116M
TOTAL DIVIDENDS DECLARED

US$21,062
NET PROFIT BREAKEVEN PER DAY
US$1,502 Per Day YoY

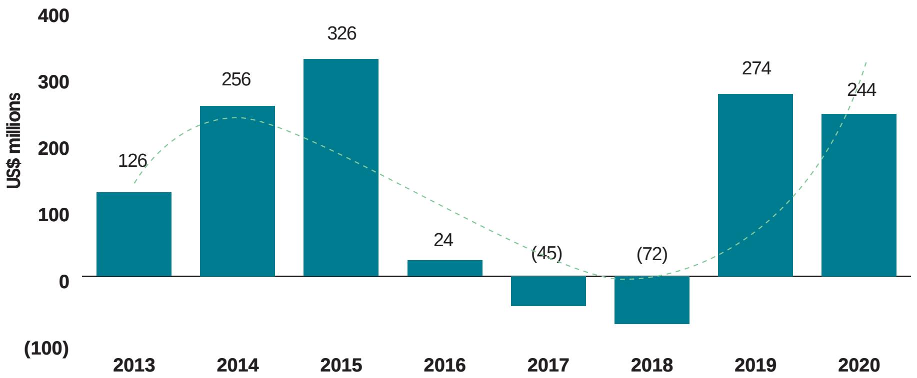
1 Includes Finance leased vessel
2 Only for owned and bareboat-in vessels
3 Adjusted for impairment charge/write-back of impairment charge on vessels, negative goodwill, and gain on derecognition of right-of-use assets



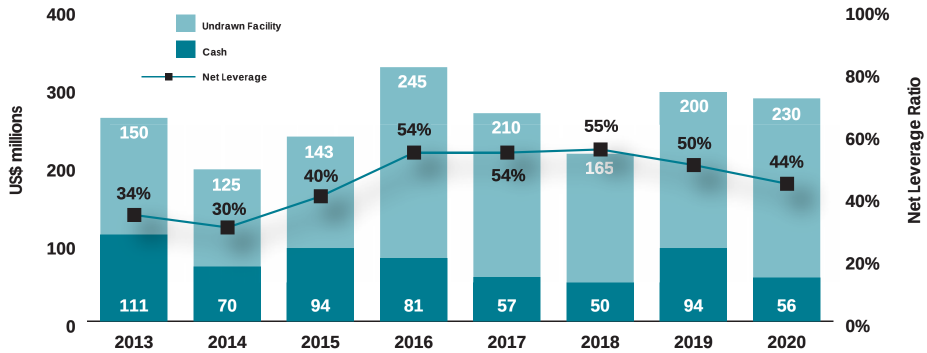
POSITIVE EBITDA THROUGH CYCLE LOWS



STRONG NET PROFIT

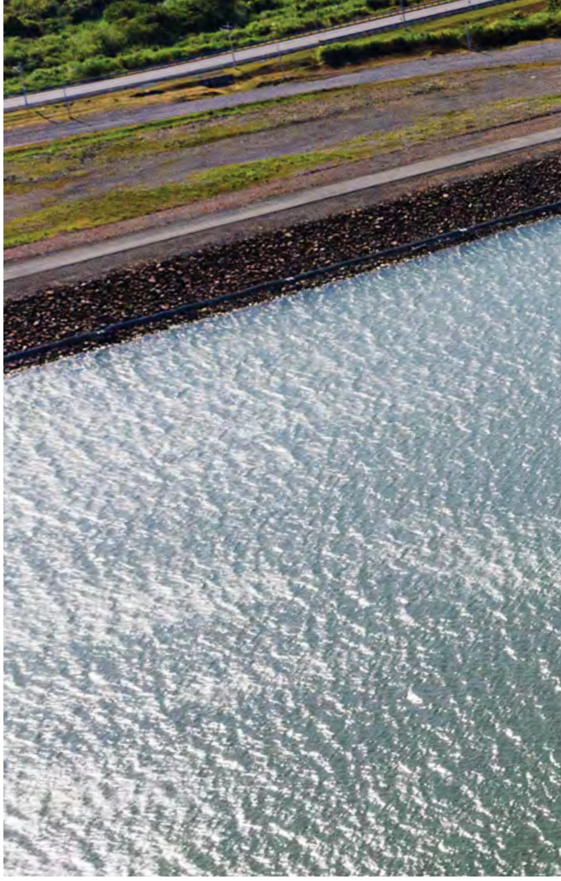


AVAILABLE LIQUIDITY AND NET LEVERAGE RATIO



3.3

SHARES



Oil prices in 2020 were volatile. The first quarter of 2020 was dominated by the impact of an "oil price war" between two major oil producing nations. By March, oil prices had slumped to an 18-year low, and in April, US crude prices turned negative for the first time in history, as stockpiles overwhelmed storage facilities.

In May, global oil demand was estimated to have fallen by at least a quarter as over three billion people started to experience varying degrees of lockdown in efforts to stem the spread of a global pandemic, and in reaction to fears that the global economy might be facing its deepest downturn since the Great Depression. Against this backdrop, OPEC and its partners agreed to cut production by 9.7 million barrels per day, the single largest output cut in history, reversing Q1's oil price trends.

By the end of 2020, oil prices had partially rebounded in response to a steep drop in production, but consumption remained well below pre-pandemic levels.

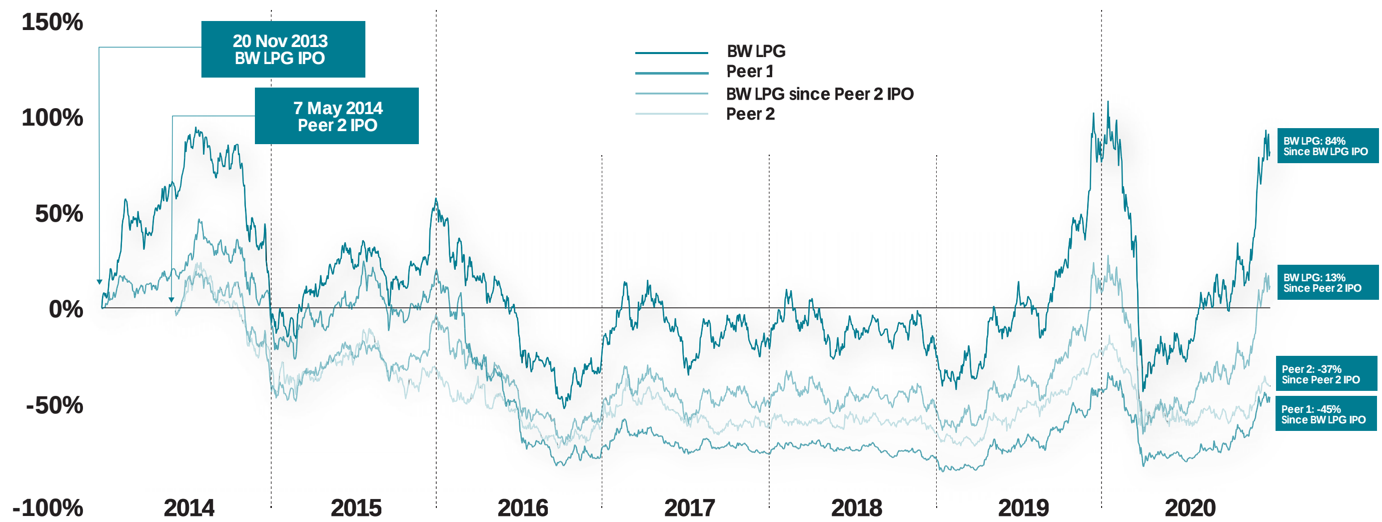
Reflecting the wild swings in oil price in 2020, the VLGC market was volatile. BW LPG's share price started 2020 at NOK73.8, or US$8.41, and bottomed at NOK27.0, or US$2.40, in March when oil prices collapsed. Reflecting the VLGC freight market, share prices witnessed a strong "V-shape" recovery, especially in the fourth quarter, ending at NOK59.0 or US$6.88 in 2020, up by 53.6% from the price at the beginning of Q4 of NOK38.4 or US$4.10.

Notably, BW LPG was the only listed VLGC company that continued to return cash to shareholders throughout a volatile year. In 2020, we declared US$0.84 cents per share in dividends, representing about 50% of the US$1.67[1] accumulated earnings per share. Since our Initial Public Offering (IPO), we have declared 64% of accumulated earnings as dividends.

1 Excludes the write back of vessel impairment charge in Q4 2020.

Total Shareholder Returns BW LPG Relative to Listed Peers[2]

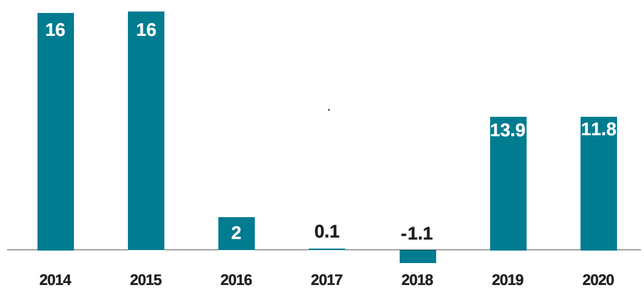
Source: Bloomberg, BW LPG Analysis



2 Data retrieved from Bloomberg, based on Bloomberg's holding strategy assumptions in USD.

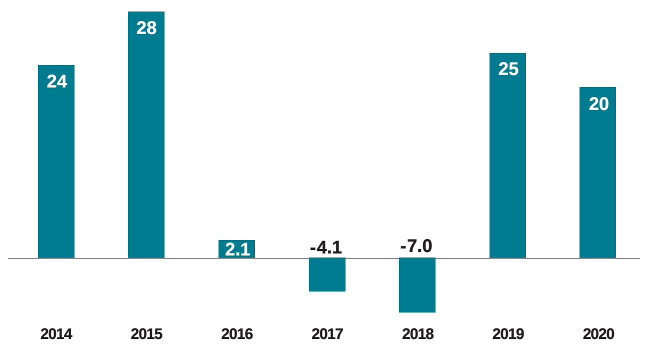
Return on Capital Employed (%)

Source: BW LPG Analysis



Net Returns on Equity (%)

Source: BW LPG Analysis



3.3

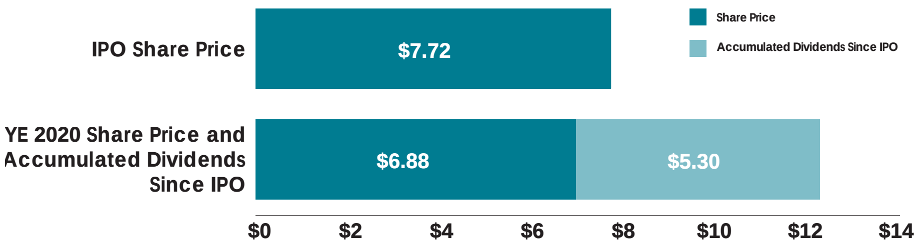
Dividends at Stated Policy of 50% of Profits

In November 2019, the Board amended our dividend policy from a semi-annual to a quarterly payout scheme. The target payout ratio of 50% of full-year Net Profit After Tax (NPAT) remains unchanged.

The policy takes into consideration leverage, capital expenditure plans, financing requirements and anticipated cash flows.

Total Shareholder Returns Since IPO (US$ Per Share)

Source: Bloomberg, BW LPG Analysis



Dividends Table

Source: BW LPG Analysis

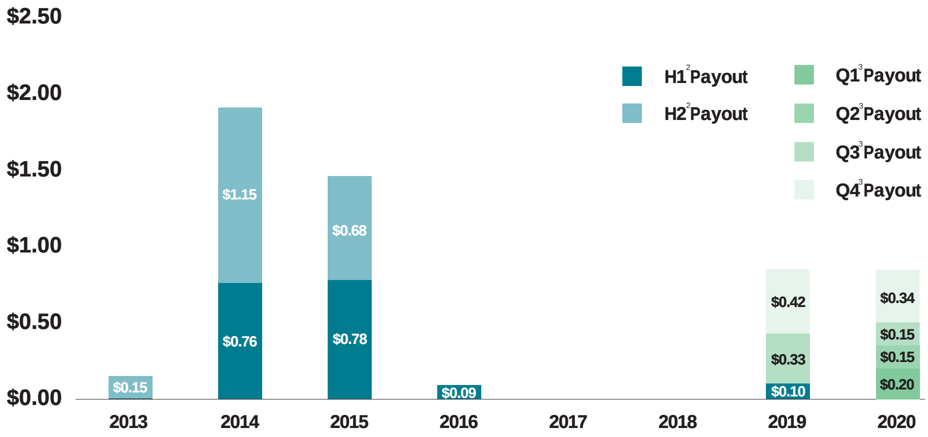
	Earnings Per Share (US$)	Dividend Per Share (US$)	Payout Ratio	Share Price at Period End (US$)	Annualised Dividend Yield (%)
Q4 2020	$0.46[1]	$0.34	73%	$6.88	20%
Q3 2020	$0.18	$0.15	83%	$4.15	14%
Q2 2020	$0.45	$0.15	33%	$3.11	19%
Q1 2020	$0.58	$0.20	34%	$3.04	26%
Q4 2019	$1.11	$0.42	38%	$8.41	20%
Q3 2019	$0.83	$0.33	40%	$5.85	23%
1H 2019	$0.02	$0.10	500%	$4.88	4%
2H 2018	($0.26)	$0.00	0%	$3.02	0%
1H 2018	($0.25)	$0.00	0%	$4.00	0%
2H 2017	($0.31)	$0.00	0%	$4.71	0%
1H 2017	$0.02	$0.00	0%	$3.47	0%
2H 2016	$0.14	$0.00	0%	$4.20	0%
1H 2016	$0.04	$0.09	231%	$3.79	5%
2H 2015	$1.41	$0.68	48%	$8.30	16%
1H 2015	$1.03	$0.78	76%	$8.54	18%
2H 2014	$1.11	$1.15	104%	$7.05	33%
1H 2014	$0.76	$0.76	100%	$14.67	10%
2H 2013	$0.92	$0.15	16%	$9.51	3%
Accumulated	$8.24	$5.30	64%		

Payout Ratio = Dividend per share / Earnings per share
Annualised Dividend Yield before Q3 2019 = (Dividends per share) x 2 / Share price at end of the period
Annualised Dividend Yield after Q3 2019 = (Dividends per share) x 4 / Share price at end of the period

1 Excludes the write back of vessel impairment charge in Q4 2020.

Total Shareholder Returns Since IPO (US$/share)

Source: BW LPG Analysis



2 Payment of Dividends was made bi-annually prior Q3 2019
3 Payment of Dividends was made quarterly from Q3 2019 onwards

Dividend Payment History

Since listing in 2013, we have paid out dividends of US$5.30 per share with an accumulated payout ratio of 64% on the accumulated earnings per share since IPO of US$8.24 per share excluding the write back of vessel impairment charge in Q4 2020.

Diverse Shareholder Base

BW LPG has issued a total of 141,938,998 shares of which 3,842,345 were bought back and held as treasury shares as of 31 December 2020.

Accumulated Dividends Payout Ratio of 64% Since IPO

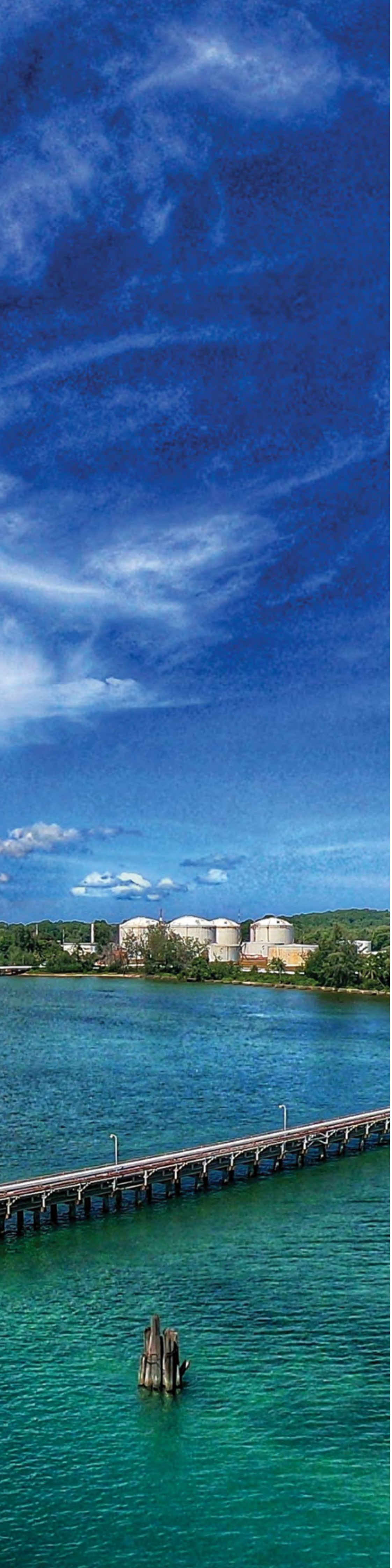
Source: BW LPG Analysis

Top 20 Shareholders

Source: RD: IR Shareholder Analysis dated 31 December 2020

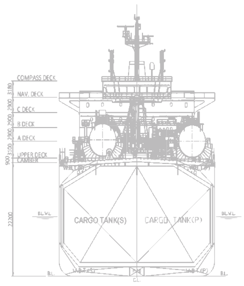
Top 20 Shareholders	Shares	% Ownership
BW Group	62,607,126	44.11%
Folketrygdfondet	10,618,579	7.48%
Columbia Management Investment Advisers	6,487,813	4.57%
Dimensional Fund Advisors	3,944,909	2.78%
KLP	2,761,476	1.95%
GMO	2,465,859	1.74%
DNB Asset Management	1,911,334	1.35%
SSGA	1,626,606	1.15%
Storebrand Asset Management	1,402,446	0.99%
Nordea Asset Management	1,155,199	0.81%
Vanguard Group	1,022,403	0.72%

Top 20 Shareholders	Shares	% Ownership
Stavern Helse Og Forvaltning AS	1,000,000	0.70%
Danske Bank	866,211	0.61%
Alfred Berg	823,296	0.58%
O'Shaughnessy Asset Management	817,005	0.58%
CQS Asset Management	810,947	0.57%
GlobeFlex Capital	664,384	0.47%
Barclays Capital collateral account	503,309	0.35%
Saxo Bank	435,315	0.31%
Skandinaviska Enskilda Banken (Custodian)	419,430	0.30%
Remaining shares	35,753,006	25.19%
Treasury shares	3,842,345	2.71%
Total	**141,938,998**	**100.00%**



4

GOVERNANCE



4.1

BOARD OF DIRECTORS

Andreas Sohmen-Pao
Chairman

Anne Grethe Dalane

Martha Kold Bakkevig

Andrew E. Wolff

Sonali Chandmal

The Board works with Executive Management with the same vision in mind – that BW LPG continues to be Best on Water, delivering cleaner energy for a sustainable world.

The Board is independent of the Executive Management and material business connections of BW LPG, with four of five members independent of our largest shareholder.

Andreas Sohmen-Pao

Chairman

Andreas Sohmen-Pao has been Chairman of the Board of BW LPG Limited since September 2013.

Mr Sohmen-Pao is currently Chairman of BW Group and its other listed entities, including BW Offshore, Hafnia, Epic Gas and BW Energy. He is also Chairman of the Singapore Maritime Foundation and a trustee of the Lloyd's Register Foundation.

Mr Sohmen-Pao was previously Chief Executive Officer of BW Group. He has served as a non-executive director of The Hongkong and Shanghai Banking Corporation Ltd, The London P&I Club, The Esplanade Co Ltd, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore amongst others.

Mr Sohmen-Pao graduated from Oxford University in England with an honours degree in Oriental Studies and holds a MBA from Harvard Business School.

Mr Sohmen-Pao has attended 4 of 4 board meetings in 2020.

Anne Grethe Dalane

Anne Grethe Dalane has served on the BW LPG Board since November 2013 as an independent director.

She has been with Yara since 2003. Prior to this, Ms Dalane has held various senior management positions at Norsk Hydro in the areas of Human Resources, Corporate Strategy and Finance.

Her board experience includes Hafslund, EDB Business Partners, Prosafe and Petroleum Geo Services. Ms Dalane is a certified financial analyst and holds a MBA from the Norwegian School of Economics.

Ms Dalane has attended 4 of 4 board meetings in 2020.

Martha Kold Bakkevig

Martha Kold Bakkevig has served on the BW LPG Board since August 2017 as an independent director.

Ms Bakkevig currently serves as the managing partner of MKOLD and spent prior to that 10 years as Chief Executive Officer of DeepWell, an oil service company operating in the North Sea, and two years as Chief Executive Officer of Steinsvik Group. Her term ended in 2019.

Ms Bakkevig has extensive experience in management, strategy and business development, and a broad academic background with a doctor's degree in both technical and business strategical subjects. She holds a Master's degree and PhD from the Norwegian University of Science and Technology (NTNU) and a Doctorate in Economics from BI Norwegian Business School.

She is also non-executive director of public listed companies Kongsberg Group, Reach Subsea and Hexagon Purus.

Ms Bakkevig has attended 4 of 4 board meetings in 2020.

4.1

Andrew E. Wolff

Mr Andrew E. Wolff has served on the BW LPG Board since 20 May 2020 as an independent director.

He was most recently Global Co-Head of the Merchant Banking Division ("MBD"), Head of MBD International and Global Co-Head of Private Equity for Goldman Sachs. He was the Co-Chief Investment Officer of the flagship Merchant Banking private equity funds. Mr Wolff was a member of the European Management Committee, Corporate Investment Committee, Infrastructure Investment Committee, and Co-Chairman of the Growth Equity Investment Committee. Mr Wolff joined Goldman Sachs in 1998 in the Principal Investment Area and was named Managing Director in 2005 and Partner in 2006.

He has experience investing across global markets and has served on the boards of companies in the United States, Canada, Argentina, Brazil, Japan, China, Korea, the United Kingdom, France, Norway and Denmark.

Mr Wolff earned a BA in Philosophy from Yale University in 1991 and a JD and MBA from Harvard Law School and Harvard Business School, respectively, in 1998.

Mr Wolff, having joined in May, has attended all subsequent board meetings in 2020.

Sonali Chandmal

Sonali Chandmal has served on the BW LPG Board since 20 May 2020 as an independent director.

She is currently a partner at A Lamot Incobel & Co, an advisory firm sourcing, structuring and funding private equity opportunities and funds in real estate and infrastructure in Europe, India and America.

Ms Chandmal currently serves on the Board of Directors and Audit Committee of Ageas SA/NV and Medicover AB, and on the Board of Directors of the Harvard Club of Belgium. She is also the Vice-Chair of the Board of Trustees at the International School of Brussels. From 1997 to 2017, she worked at Bain & Company, a leading global strategy and management consulting firm, at its offices in San Francisco, London and Brussels. Prior to that, Ms Chandmal worked at Robertson Stephens & Company, an investment bank specialising in high technology IPOs and mergers & acquisitions.

Ms Chandmal holds a BA in Economics from the University of California at Berkeley, and a MBA at the Harvard University Graduate School of Business Administration.

Ms Chandmal, having joined in May, has attended all subsequent board meetings in 2020.

4.2

MANAGEMENT TEAM

Anders Onarheim

Chief Executive Officer

Elaine Ong

Chief Financial Officer

Niels Rigault

Executive Vice President, Commercial

Pontus Berg

Executive Vice President, Technical and Operations

Prodyut Banerjee

Vice President, Operations

Knut-Helge Knutsen

Vice President, Technical

Jo Moffat

Vice President, Product Services

4.2

Anders Onarheim

Chief Executive Officer

Anders Onarheim's extensive knowledge in management, business development and capital markets was acquired when he was Managing Director in companies within Carnegie Group for over 16 years, prior to joining BW LPG in 2020.

Prior to Carnegie, Mr Onarheim served as the Head of Equities of Enskilda Securities Norway from 1994 to 1996. From 1990 to 1994, he served as an Executive Director in the Investment Banking division of Goldman Sachs in the UK. From 1986 to 1990, he was Vice President for institutional sales in Merrill Lynch in the US and the UK. Mr Onarheim has held numerous board memberships within different industries and is currently Chairman of the board of North Energy ASA and Ocean GeoLoop AS, and board member of Reach Subsea ASA. He served on the BW LPG Board from November 2013 to May 2020.

He holds a MBA from the Washington University in St. Louis, where he graduated in 1986.

Elaine Ong

Chief Financial Officer

Elaine Ong has over 25 years of experience in all aspects of Finance.

Prior to joining BW LPG in 2015, she was Senior Vice President, Finance, at BW Group since 2011. She had also held various Finance leadership positions at Kraft Foods and Teekay Corporation.

She is a Chartered Accountant (1996) with the Chartered Professional Accountants of Canada and holds a Bachelor of Commerce degree from University of British Columbia.

Niels Rigault

Executive Vice President, Commercial

Niels Rigault has 15 years of experience in competitive shipbroking. Prior to joining BW LPG in 2016, he was Senior Partner and Member of the Project department at Inge Steensland. He holds a Bachelor's degree in Business Economics from Vrije Universiteit Brussel / Vesalius College and a degree in Marketing from BI Norwegian Business School.

Pontus Berg

Executive Vice President, Technical and Operations

Pontus Berg has over 25 years of shipping experience from Ship Owners and Technical Management companies. He has sailed up to and in the rank of Chief Engineer.

Prior to joining BW LPG in 2015, he was General Manager & Director General of Greenship Gas France and prior to that Technical Manager in Evergas and in Eitzen Gas.

He holds a Bachelor of Science degree in Marine Engineering from Kalmar University.

Prodyut Banerjee

Vice President, Operations

Captain Prodyut Banerjee has more than 18 years of experience in Global Operations in the maritime industry. He has held various leadership positions with BW Group since 2005. Prior to joining BW, he worked with ExxonMobil for over 15 years, serving on vessels at sea and in shore positions in the United Kingdom.

He holds a MBA from the National University of Singapore.

Knut-Helge Knutsen

Vice President, Technical

Knut-Helge Knutsen has held global leadership positions in the maritime industry for the past 20 years. Before joining BW in 2013, he was Regional Manager at VPS (Veritas Petroleum Services) for six years, and was with DNV for 11 years where he led various technical departments in Norway and South Korea.

He holds a Masters degree in Marine Engineering from NTNU in Norway and Global Business Leadership qualifications from IMD Business School in Switzerland.

Jo Moffat

Vice President, Product Services

Jo Moffat has over 25 years of experience in LPG markets with her main focus on LPG trading. Her career started in Mobil Oil as an engineer before joining Ferrell Intl as an LPG trader where she stayed for 18 years. Before joining BW LPG she held commercial leadership positions at Shell International Eastern Trading Company and SK Gas International Pte Ltd in Singapore.

4.3

RISK MANAGEMENT

Risk management is not just a matter of compliance and good governance. It is fundamental to our decision-making process at every level of the organisation. Our risk strategy and policy guide how we plan for and react to risks related to corporate strategy, preventable incidents from everyday operations, and unexpected events.

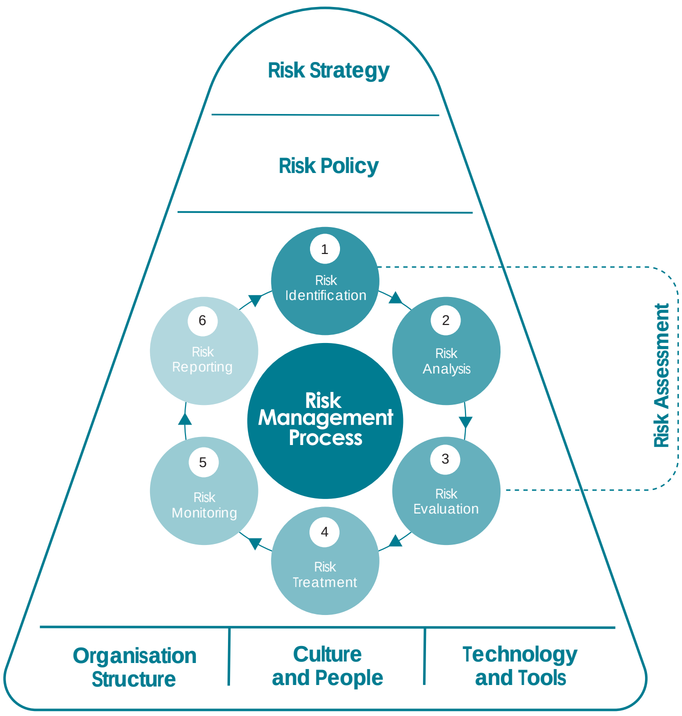
Leading by example

At the corporate level, we demand the same high standards of integrity that we expect from our employees on shore and at sea. Transparent reporting by the Executive Management and regular, detailed reviews by an International Board of Directors are part of an established risk management framework that ensure good governance at the highest levels of leadership.

A non-negotiable framework to guide corporate decisions

BW LPG strives to provide competitive risk-adjusted returns to shareholders. Our Enterprise Risk Management (ERM) is based on the principles of the ISO 31000 and the Committee of Sponsoring Organisations' (COSO) ERM Framework. Our risk management process begins with a risk register, where all possible risks are considered and ranked according to probablity and impact to business if realised. Identified risks are then analysed to explore possible mitigation and improvement opportunities, before decisions are made.

We regularly review our risk framework, policy and register to ensure relevant processes and effective mitigation.



Our Risk Management focuses on:

- Aligning strategy and performance with vision, mission and values
- Increasing the likelihood of achieving business objectives
- Improving the identification of opportunities and threats
- Ensuring continued compliance with relevant legal and regulatory requirements and international norms
- Enhancing governance
- Protecting and advancing stakeholder confidence and trust

Types of Risks

Strategic and External Risks

Definition
Risks related to markets, countries, services and products, or from customers.

Mitigation
They are addressed through business strategies which are reviewed annually with our Board of Directors. Our Directors deliberate and provide inputs on Executive Management's assessment of strategic and external risks, and approve corresponding strategies.

The Executive Management ensures that the intended and actual business direction, changes in markets, customers' expectations and requirements are reflected in corporate strategic planning.

Regulatory and Compliance Risks

Definition
Risks associated with ethical behaviors. They involve employees and third parties or partners on behalf of BW LPG with access to sensitive information.

These risks are also related to compliance with laws and regulations, including environmental regulations, sanctions and anti-bribery laws.

Mitigation
These risks are managed through regular monitoring and mandatory awareness training, compliance reviews, legal due diligence, and internal audit checks.

Commercial and Operational Risks

Definition
Risks related to events occurring during planning and execution of business operations, involving for example, cargo loss or damage, counterparty defaults, asset loss or damage, crew injury, or environmental damage.

Mitigation
Control measures are incorporated in operations and insurance planning, with ongoing monitoring during execution. Incidents and near misses are reviewed in order to identify root causes and implement corrective actions.

Financial Risks

Definition
Risks related to the unpredictability of financial markets and ways to minimise potential adverse impact on financial performance.

Mitigation
Where applicable, we use financial instruments such as interest rate swaps, forex forward contracts and bunker swaps to hedge certain financial risk exposures.

We avoid speculation and risk management tools which may create new exposures. Executive Management handles our financial risk with guidance and input from our Board of Directors.

4.4

CORPORATE GOVERNANCE

COMPLY OR EXPLAIN OVERVIEW

With reference to the Norwegian Code of Corporate Governance.

Section of the Code	Deviations
Implementation and reporting on corporate governance	None
Business	The Company's objectives are wider and more extensive.
Equity and dividends	The Company's issuance and purchase of its own shares are neither limited to a specific purpose nor to a specified period.
Equal treatment of shareholders and transactions with close associates	None
Shares and negotiability	The Company may decline to register the transfer of any share if the transfer results in the Company being deemed a "Controlled Foreign Company" in Norway.
General Meetings	The Chairman of the Board also acts as the Chair of General Meetings.
Nomination committee	A member of the Nomination committee (who is also a member of the Board) may offer himself or herself for re-election to the Board.
Board of Directors: composition and independence	From 1 January 2020 to 20 May 2020, Mr Onarheim acted as the Company's CEO while serving as a member of the Board. The current composition of the Board is in compliance with the Code.
The work of the Board of Directors	One of the two members of the Remuneration Committee is not independent of the Company's largest shareholder.
Risk management and internal control	None
Remuneration of the Board of Directors	None
Remuneration of the Executive Personnel	The Annual General Meeting has not voted over the Guidelines for Executive Remuneration. Performance-related remuneration to Executive Personnel are not subject to an absolute limit.
Information and communications	None
Take-overs	None
Auditor	None

Implementation and Reporting on Corporate Governance

BW LPG Limited ("BW LPG" or the "Company") is a Bermuda limited liability company listed on the Oslo Børs (the Oslo Stock Exchange).

BW LPG is primarily governed by the Bermuda Companies Act, its Memorandum of Association and its Bye-laws. In addition, the Company is required to comply with certain aspects of the Norwegian Securities Trading Act, the Norwegian Accounting Act and the continuing obligations for companies listed on the Oslo Stock Exchange.

This Report provides an overall overview of the Company's Corporate Governance practices with specific reference to the Norwegian Code of Practice for Corporate Governance (the "Code") dated 17 October 2018 issued by the Norwegian Corporate Governance Board. Each individual point of the Code is reviewed and if the Company deviates from the Code, explanations have been provided. The Code is available at www.nues.no.

The Board of Directors (the "Board") believes that the best interests of the Company and its shareholders are best served by the adoption of business policies and practices which are legal, compliant, ethical, and open in relation to all dealings with customers, potential customers and other third parties. These policies are designed to be fair and in accordance with leading market practices on stakeholder relationships and are also sensitive to reasonable expectations of public interest.

The Company's Corporate Governance policy takes into account the Code and as such, includes self-regulatory corporate governance practices. The Company has developed its internal policies and practices, where appropriate, to meet requirements and recommendations of the Code.

The Corporate Governance of the Company is subject to review by the Board at least annually, and the Company's governance documents are reviewed annually to ensure continued relevance and accuracy.

The Company does not deviate from Section 1 of the Code.

4.4

The Business

The Company's business and objectives are described in the Company's Memorandum of Association. In accordance with common practice for Bermuda companies, the description of the Company's objectives is wider and more extensive than recommended in the Code. This represents a deviation from Section 2 of the Code.

The Board leads the Company's strategic planning and makes decisions and defines clear objectives, strategies and risk profile that forms the basis for the Company's Executive Personnel to prepare and carry out investments and structural measures to create value for the shareholders. The Company's objectives, strategies and risk profiles are evaluated at least once yearly.

The Company's objectives and main strategies are described in the Annual Report.

The Company has implemented corporate values, ethical guidelines and guidelines for corporate social responsibility which reflect how the Company integrates considerations related to its stakeholders into its value creation. These values and guidelines are described in the Company's Code of Ethics and Business Conduct and internal policies.

Equity and Dividends

The Board regularly evaluates the Company's capital requirements to ensure that the Company has a capital structure which is appropriate for its objectives, strategy and risk profile.

The Board has decided on a dividend policy for the Company to provide a degree of predictability and transparency on the determination of dividend payouts to shareholders. The policy highlights that when determining the quarterly dividend level, the Board will target a payout ratio of 50% of net profits after tax, and will take into consideration appropriate limits on leverage, capital expenditure plans, financing requirements and anticipated cash flows. The dividend policy details can be found on the Company's website. In addition to cash dividends, the Company may buy back shares as part of its total distribution of capital to shareholders. Under the Bye-laws of the Company, the Board of Directors may declare dividends and distributions without the approval of the shareholders in general meetings. Dividend payouts which are approved at the Board Meetings of the Company are made in accordance with the dividend policy.

Pursuant to Bermuda law and in accordance with common practice for Bermuda incorporated companies, the Board has authority to issue any authorised unissued shares in the Company on such terms and conditions as it may decide and may exercise all powers of the Company to purchase the Company's own shares. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code. This represents a deviation from Section 3 of the Code.

Equal Treatment of Shareholders and Transactions with Close Associates

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders will be treated on an equal basis, unless there is just cause for treating them differently.

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the shareholders of the Company do not have pre-emption rights in share issues unless otherwise resolved by the Company. Any decision to issue shares without pre-emption rights for existing shareholders will be justified in the common interest of the company and the shareholders. In the event that the Company carries out a share issue without pre-emption rights for existing shareholders, then the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issue.

Any transactions the Company carries out in its own shares will be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders.

In cases of transactions between the Company and a shareholder, a shareholder's parent company, Director, Officer or Executive Personnel of the Company or persons closely related to any such parties, or with another company in the same group, which are not immaterial for either the Company or the close associate involved, the Board will obtain a valuation from an independent third party.

The Company does not deviate from Section 4 of the Code.

Shares and Negotiability

In general, the shares in the Company are freely transferable. However, the Board may decline to register the transfer of any share, where such transfer would, in the opinion of the Board, likely result in 50% or more of the aggregate issued and outstanding share capital of the Company being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway, or alternatively, such shares being effectively connected to a Norwegian business activity, or the Company otherwise being deemed a "Controlled Foreign Company" as such term is defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid the Company being deemed a Controlled Foreign Company pursuant to Norwegian tax rules. This represents a deviation from Section 5 of the Code.

General Meetings

(Continued on P56)

The Annual General Meeting of the Company will normally take place on or before 31 May each year.

The Company encourages all shareholders to participate in and to vote at General Meetings. In order to facilitate shareholder participation, the Board ensures that:

- the resolutions and supporting documentation, if any, will be sufficiently detailed, comprehensive and specific to allow shareholders to understand and form a view on matters that are to be considered at the General Meeting;

4.4

General Meetings

(Continued from P55)

- the registration deadline, if any, for shareholders to participate at the General Meeting will be set as closely to the date of the General Meeting as practically possible and permissible under the provision in the Bye-laws;
- the shareholders will have the opportunity to vote on each individual matter, including on each candidate nominated for election to the Company's Board and Committees (if applicable); and
- the members of the Board, the chairman of the nomination committee and the auditor (where attendance is regarded as essential) will be present at the General Meeting.

Shareholders who cannot be present at the General Meeting will be given the opportunity to vote by proxy or to participate by using electronic means. The Company will in this respect:

- provide information on the procedure for attending by proxy in the notice;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form which will, insofar as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

Pursuant to common practice for Bermuda incorporated companies, the Company's Bye-laws stipulate that the Chairman of the Board will chair the General Meeting unless otherwise agreed by a majority of those shares represented at the meeting. In this respect, the Company deviates from Section 6 of the Code. However, there will be routines to ensure that an independent person is available to chair the General Meeting or a particular agenda with regards to any matters related to the Chairman.

The minutes of the Annual General Meeting will be published on the Company's website no later than three business days after the date of the meeting, and a printed version can be made available upon request.

Nomination Committee

(Continued on P57)

The Company has a Nomination Committee appointed by the General Meeting with a Chairman elected by the General Meeting. The Nomination Committee is laid down in the Company's Bye-laws with guidelines approved at the Annual General Meeting.

The Nomination Committee has the responsibility of proposing candidates for election to the Board and the Nomination Committee, and proposing remuneration to be paid to members of these bodies. The Nomination Committee is available for contact with shareholders and maintains regular contact with the Board and the Company's Executive Personnel. As part of its work in proposing candidates for election to the Board and the Nomination Committee, the Nomination Committee will justify its recommendations for each candidate separately and strive to consult with relevant shareholders concerning proposals for appointment of candidates.

The members of the Nomination Committee have been selected to take into account

Nomination Committee

(Continued from P56)

a broad range of shareholder interests. In accordance with the recommendations of the Code, the Nomination Committee does not include the Company's Chief Executive Officer or any other Executive Personnel of the Company. A majority (two of the three members) of the Company's Nomination Committee are not members of the Board. Pursuant to the Nomination Committee guidelines, a member of the Board who is also a member of the Nomination Committee may offer himself for re-election to the Board. This represents a deviation from Section 7 of the Code.

The Company believes that this arrangement works well in practice as, both the Board and Nomination Committee comprise a majority of independent members who vote independently, as shareholders have full access to the Nomination Committee, and as it is believed that there are benefits in having a common representative across both groups who can give insight to the Nomination Committee on board dynamics.

An up-to-date composition of the Nomination Committee is available on the Company's website and the Company will provide shareholders with any deadlines for submitting proposals for candidates to the Nomination Committee.

Board of Directors: Composition and Independence

The composition of the Board represents a broad cross-section of the Company's shareholders, which ensures that they can meet the Company's need for expertise, capacity, diversity and independence. In the period from 1 January 2020 to 20 May 2020, Mr Onarheim acted as the Company's CEO while serving as a member of the Board. This represents a deviation from the Code that the Board should not include Executive Personnel. Following the AGM on 20 May 2020, Mr Onarheim stepped down from the Board and continued as the Company's CEO. Accordingly, the Board currently consists of five members, who continue to work together as a team to exercise proper supervision on the management of the Company. The majority (four of the five members) are independent of the Company's largest shareholder, the Executive Personnel, and material business connections of the Company. The Board currently does not include any Executive Personnel. The general meeting elects the chairman of the Board.

Members of the Board will serve for a term of two years, after which they would be re-evaluated before being considered for re-election. The value of continuity will be balanced against the need for renewal and independence. Where a member of the Board has served for a prolonged continuous period, consideration will be given as to whether the individual Board member in question is still considered independent of the Company's Executive Personnel.

Up-to-date information of the Board, the expertise of the Board members and the members which are considered independent is available on the Company's website and in the Annual Report.

Members of the Board are welcome to own shares in the Company.

The Company does not deviate from Section 8 of the Code.

4.4

The Work of the Board of Directors

The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The duties and tasks of the Board are detailed in the Company's Bye-laws. The Board has issued instructions for its own work as well as for the Executive Personnel with particular emphasis on clear internal allocation of responsibilities and duties. This Report and the instructions issued by the Board is based on the view that all decisions of unusual character or major importance rests with the Board, and the authority given to the CEO and other Executive Personnel is not considered to be of unusual character or major importance by the Company.

The Company has put in place guidelines which require the Directors and Officers of the Company and Executive Personnel to notify the Board if they directly or indirectly have a material interest in any transaction carried out by the Company. Members of the Board of Directors and Executive Personnel cannot consider items in which they have a special and prominent interest so that such items can be considered in an unbiased and satisfactory way. In order to conduct its work, the Board each year fixes in advance a number of regular scheduled meetings for the following calendar year, although additional meetings may be called by the Chairman. The directors will normally meet in person but if so allowed by the Chairman, may participate in the meeting by means of electronic communications. Minutes in respect of the meetings of the Board are kept by the Company in Bermuda.

The Board has established an Audit Committee as a preparatory and advisory committee for the Board, consisting of two members, both of which are also members of the Board. Both members of the Audit Committee are independent.

The Board has also established a Remuneration Committee in order to ensure thorough and independent preparation of matters relating to compensation paid to the Executive Personnel. The Remuneration Committee consists of two members, both of which are also members of the Board, and one of the two members are not independent of the Company's largest shareholder. This represents a deviation from Section 9 of the Code.

Additionally, a Nomination Committee has been established, consisting of one Board member and two non-Board members. Details on the various board committees are available on the Company's website.

The Board carries out an annual evaluation of its performance and expertise. The various Board Committees are also reviewed for their effectiveness in executing their responsibilities.

Risk Management and Internal Control

(Continued on P59)

The Board ensures that the Company has sound internal control procedures and systems to manage its exposure to risks related to the conduct of the Company's business, to support the quality of its financial reporting, and to ensure compliance with laws and regulations. Such procedures and systems will contribute to securing shareholders' investment and the Company's assets and creating value for stakeholders.

Management and internal control is based on Company-wide policies and internal guidelines in addition to implementation and follow–up of a risk assessment process. The Company's risk management system is central to the Company's internal controls and

Risk Management and Internal Control

(Continued from P58)

ensures that the guidelines for integrating considerations related to stakeholders into its creation of value are known and adhered to.

The Board carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements, and an annual supervisory plan for internal audit work is approved by the Audit Committee. The internal auditor is independent from the Executive Personnel and reports directly to the Audit Committee. The Audit Committee follows up on internal controls in connection with quarterly reviews of the Group's financial reporting.

The Company does not deviate from Section 10 of the Code.

Remuneration of the Board of Directors

The Annual General Meeting of the Company decides the remuneration of the Board. The remuneration of the directors reflects its competence, level of activity, responsibility, use of resources and the complexity of the business activities.

The remuneration of the directors is not linked to the Company's performance and the directors do not receive profit-related remuneration, share options or retirement benefits from the Company.

Directors and/or companies with whom Directors are associated shall not normally undertake special tasks for the Company in addition to the directorship. However, if they do so, the entire Board shall be informed, and the fee will be approved by the Board.

The Company does not deviate from Section 11 of the Code.

Remuneration of Executive Personnel

The Board has established guidelines that set out the main principles applied in determining the salary and other remuneration of the Executive Personnel. The Guidelines for Executive Remuneration are communicated at the Annual General Meeting and are also made available on the Company's website. Any change in these guidelines will be formally communicated at the Annual General Meeting and updated on the website. Since the Guidelines for Executive Remuneration is not a requirement under Bermuda law, the Annual General Meeting has not voted over the guidelines and this represents a deviation from Section 12 of the Code.

Remuneration of the Executive Personnel is reviewed annually and approved by the Board based on recommendations by the Remuneration Committee. The Remuneration Committee considers the performance of the Executive Personnel and gathers information from comparable companies before making its recommendation to the Board. Such recommendation aims to ensure convergence of the financial interests of the Executive Personnel and the shareholders. Performance-related remuneration to Executive Personnel are not subject to an absolute limit. This represents a deviation from Section 12 of the Code.

Details of Executive Personnel's remuneration and any share option programs can be found in the Company's Consolidated Financial Statements.

4.4

Information and Communications

The Company is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information shall be based upon openness and equal treatment of all shareholders. A precondition for the share value to reflect the underlying values in the Company is that all relevant information is disclosed to the market. Based on this and subject to applicable laws and regulations, the Company will keep the shareholders informed about profit developments, prospects and other relevant factors for their analysis of the Company's position and value.

The Company publishes an updated financial calendar with dates for important events such as the Annual General Meeting, publishing of interim reports, public presentations and payment of dividends (if applicable) on the Company's website.

Public investor presentations are arranged in connection with submission of annual and quarterly results for the Company. The presentations are also available on the Company's website. Furthermore, continuous dialogue is held with, and presentations are given to analysts and investors, ensuring that at all times, existing and prospective investors have symmetrical access to share-price sensitive information.

Shareholders may contact the Company's investor relations contact at **investor.relations@bwlpg.com**.

The Company does not deviate from Section 13 of the Code.

Take-overs

(Continued on P61)

In the event of a take-over process, which shall be decided by the General Meeting, the Board will act in accordance with the following principles:

- the Board will ensure that the offer is made to all shareholders, and on the same terms;
- the Board will ensure that the shareholders have sufficient information and time to assess the offer;
- the Board will not undertake any actions intended to give any shareholder or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board will strive to be completely open about the take-over situation;
- the Board will not attempt to prevent or impede the take-over bid unless this has been decided by the shareholders in a General Meeting in accordance with applicable law;
- the Board will not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders;
- the Board will ensure that the values and interests of all shareholders are safeguarded and that the Company's activities are not unnecessarily interrupted.

If an offer is made for the Company's shares, the Board will issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether to accept the offer, it will explain the reasons for this. The Board's statement on a bid will make it clear whether the views expressed are unanimous, and

Take-overs

(Continued from P60)

if this is not the case, it will explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board will consider whether to arrange a valuation from an independent expert. If any director, or close associates of such director, or anyone who has recently held a position but has ceased to hold such a position as a director, is either the bidder or has a particular personal interest in the bid, the Board will arrange an independent valuation. This will also apply if the bidder is a major shareholder. Any such valuation will either be enclosed with the Board's statement, reproduced or referred to in the statement.

The Company does not deviate from Section 14 of the Code.

Auditor

The Company's auditor is appointed by the Annual General Meeting of the Company and is responsible for the audit of the Consolidated Financial Statements of the Company.

The Auditor participates in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest. Further, the Auditor reviews for key aspects of the audit, any material changes in the Company's accounting principles, comments on any material estimated accounting figures and reports on all material matters on which there has been disagreement between the Auditor and the Executive Personnel of the Company.

The Board and the Audit Committee will at least once a year review the Company's internal control procedures relating to its financial reporting process, including weaknesses identified by the Auditor and proposals for improvement, together with the Auditor.

The Board holds a meeting with the Auditor at least once a year at which no representative of the Executive Personnel is present. The Board also determines the right of the Executive Personnel to use the Auditor for purposes other than auditing.

The Auditor confirms his independence in writing to the Audit Committee annually.

The Company does not deviate from Section 15 of the Code.

4.5

BOARD OF DIRECTOR'S REPORT


Andreas Sohmen-Pao
Chairman


Anne Grethe Dalane


Andrew E. Wolff


Martha Kold Bakkevig


Sonali Chandmal

Financial Performance

Our Time-Charter Equivalent (TCE) income increased to US$551 million in 2020 from US$547 million in 2019, driven by higher freight rates and stronger commercial utilisation, in part offset by an increase in technical off-hire days because of a larger number of vessels being in dry dock and for LPG propulsion upgrades. These numbers equate to VLGC TCE earnings of US$36,400 per calendar day in 2020 vs US$35,000 per calendar day in 2019. Our commercial results improved even further with the achieved day rate based on available days increasing to US$37,900 in 2020 from US$35,400 in 2019. The improvement in commercial results was driven by a higher commercial utilisation increasing to 98% in 2020 from 95% in 2019, in addition to a stronger freight rate market.

BW LPG reported a net profit after tax (NPAT) of US$244 million in 2020 versus US$274 million in 2019, with a decline in ROCE and ROE to 12% and 20% respectively in 2020, from 14% and 25% respectively in 2019. The decrease in NPAT and returns from 2019 were mainly driven by the higher write-back of vessel values in 2019 of US$38 million as compared to US$12 million in 2020, and higher vessel depreciation in 2020 due to the revision in the vessels' useful life from 30 years to 25 years with effect from 1 January 2020.

Parent Company Accounts

Vessels and related assets, as well as external debt financing, are held in subsidiary companies within BW LPG. The investment holding company's balance sheet includes primarily receivables from subsidiaries as well as shareholders' equity, trade payables and accrued expenses. Total assets are US$1,072 million, shareholders' equity is US$1,071 million, and total liabilities are US$0.4 million. Income is solely from dividends from our subsidiary of US$150 million. Expenses of US$4 million consists of overhead and other costs related to the operations of the investment holding company as a listed entity.

Safety

Safety is a fundamental and non-negotiable priority at BW LPG and the Board is conscious that safety performance is a continuous process. BW LPG has active programmes in place to encourage a "Zero Harm" safety culture on shore and at sea. In 2020, our LTIF (Lost Time Injury Frequency per million working hours) rate was 0.14 and our TRCF (Total Recordable Case Frequency) rate in 2020 was 0.86, both of which were better than comparable industry performance.

Sustainability

We are pleased to present our inaugural standalone sustainability report, which has been prepared in accordance to the Global Reporting Initiative ("GRI") Sustainability Reporting Standards, core option. The report discusses our performance in the context of our activities relating to environmental, social and governance considerations for FY2020. A key deliverable in 2020 was the successful retrofitting of BW Gemini, BW Leo and BW Orion, the world's first Very Large Gas Carriers to be propelled by cleaner burning LPG. In total, we are committing over US$130 million to retrofit 15 of our VLGCs with pioneering LPG dual-fuel propulsion technology, playing our part to decarbonise our operations, maximise the value of our assets, and not add unneeded tonnage with related carbon footprint.

Corporate Governance

In a year where global borders were shut, the Board held four meetings virtually in 2020. Mr John Harrison and Mr Andreas Beroutsos stepped down as Vice-Chairman and Director of the Board respectively. We thank Mr John Harrison and Mr Andreas Beroutsos for their leadership during their tenure with BW LPG.

Risk

BW LPG is exposed to various market, operational, and financial risks. The most significant risks are set out in the IPO (Initial Public Offering) prospectus issued in November 2013. That document and other information on risks are available on the Company's website at www.bwlpg.com. BW LPG employs an enterprise-wide risk assessment process to analyse and evaluate risk exposures and to allocate appropriate resources to risk mitigation activities. BW LPG's risk mitigation activities consider the unpredictability of shipping and financial markets. BW LPG's main risks relate to the inherently cyclical nature of the shipping industry and the consequent inherent volatility of financial performance; the potential for oversupply of shipping capacity to negatively impact freight rates and asset values; and the dependence on continued export volumes of relevant hydrocarbons to maintain demand for shipping.

Going Concern

In light of BW LPG's liquidity position, balance sheet strength, assets, employment, and continuing cash flow from operations, the Board confirms that the going concern assumption, upon which BW LPG's accounts are prepared, continues to apply.

4.6

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the financial statements for the year 1 January to 31 December 2020 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties facing the Group and the Company.

Andreas Sohmen-Pao
Chairman

Anne Grethe Dalane
Director

Andrew E. Wolff
Director

Martha Kold Bakkevig
Director

Sonali Chandmal
Director

BW LPG LIMITED AND ITS SUBSIDARIES

(Incorporated in Bermuda)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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INDEPENDENT AUDITORS' REPORT

To the Board Of Directors and Shareholders of BW LPG Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW LPG Limited ("the Company") and its subsidiaries ("the Group"). The financial statements comprise:

- The balance sheet of the Company as at 31 December 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

- The consolidated balance sheet of the Group as at 31 December 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020, and their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
Impairment assessment of vessels Refer to note 2(a)(2) and note 8 of the Group's financial statements. As at 31 December 2020, the carrying value of the Group's vessels including dry docking, amounted to US$1,754 million (2019: US$1,904 million). 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 ("CGU" or "vessel"). In FY 2020, the Group wrote-back an impairment charge of certain vessels to their recoverable amounts following the recovery of the freight market and asset prices. The assessment of the recoverable amounts of the vessels were based on the higher of fair value less cost to sell and value-in-use calculation. The recoverable amount of each vessel is estimated predominantly based on independent third party valuation reports, which made reference to comparable transaction prices of similar vessels. The Group has assessed that the brokers has the required competency and capability to perform the valuations. The Group had also considered the appropriateness of the valuation methodologies and assumptions used by the brokers. The determination of the recoverable amount of these vessels involves a high degree of judgement owing to the cyclical nature of freight rates, which results in estimation uncertainties.	We have performed the following audit procedures: • We assessed the Group's process for identifying and reviewing the CGUs subject to impairment/ reversal of impairment testing. • We evaluated the independence, competency and objectivity of the independent brokers. • We assessed the valuation methodologies and key assumptions used by the independent brokers in determining vessel valuations. No significant matters were noted from our procedures performed.

Other Information

Management is responsible for the other information. The other information comprises all information included in the annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's and 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 Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's or 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Ling Su Min.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
1 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Revenue from spot voyages		679,337	737,264
Voyage expenses	4	(260,961)	(269,930)
Net income from spot voyages		418,376	467,334
Revenue from time charter voyages		132,397	79,940
TCE income^		550,773	547,274
Net gain from commodity contracts	3	897	1,198
Fair value gains from equity financial asset	15	8,301	-
Vessel operating expenses	4	(99,757)	(99,858)
Time charter contracts (non-lease components)	4	(13,573)	(9,744)
General and administrative expenses	4	(22,758)	(26,852)
Charter hire expenses	4	(12,260)	(14,208)
Finance lease income		1,898	1,171
Other operating income/(expenses) – net	4	480	(193)
Operating profit before depreciation, amortisation and impairment (EBITDA)		414,001	398,788
Depreciation charge	8	(152,206)	(126,273)
Amortisation of intangible assets		(241)	-
		261,554	272,515
Gain on derecognition of right-of-use assets	10	-	10,394
Gain on disposal of vessels		2,886	-
Gain on disposal of assets held-for-sale		9,079	6,950
Write-back of impairment charge on vessels	8	8,200	37,995
Operating profit (EBIT)		281,719	327,854
Foreign currency exchange loss - net		(205)	(676)
Interest income		4,142	5,349
Interest expense		(43,559)	(57,609)
Derivative loss		(18)	(187)
Other finance expense		(2,822)	(1,517)
Finance expense - net		(42,462)	(54,640)
Share of profit of a joint venture	11	5,095	3,025
Profit before tax for the financial year		244,352	276,239
Income tax expense	7(a)	(499)	(2,343)
Profit after tax for the financial year (NPAT)		243,853	273,896

^ "TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily fuel oil, port charges and commission.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges			
- fair value loss		(69,818)	(17,165)
- reclassification to profit or loss		29,106	(1,351)
Currency translation reserve		(34)	(30)
Other comprehensive loss, net of tax		(40,746)	(18,546)
Total comprehensive income for the financial year		203,107	255,350
Profit attributable to:			
Equity holders of the Company		243,853	273,840
Non-controlling interests		-	56
		243,853	273,896
Total comprehensive income attributable to:			
Equity holders of the Company		203,107	255,294
Non-controlling interests		-	56
		203,107	255,350
Earnings per share attributable to the equity holders of the Company:			
(expressed in US$ per share)			
Basic and diluted earnings per share	6	1.76	1.97

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

BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
As at 31 December 2020

	Note	2020 US$'000	2019 US$'000
Intangible assets		1,949	1,004
Derivative financial instruments	16	-	723
Loan receivables from a joint venture	9	115,150	52,550
Finance lease receivables	10	18,061	35,326
Investment in a joint venture	11	5,027	2,861
Total other non-current assets		138,238	91,460
Vessels and dry docking	8	1,754,338	1,903,622
Right-of-use assets (vessels)	8	147,266	165,029
Other property, plant and equipment	8	136	261
Property, plant and equipment	8	1,901,740	2,068,912
Total non-current assets		2,041,927	2,161,376
Inventories	12	15,057	40,682
Trade and other receivables	13	197,824	166,372
Equity financial assets, at fair value	15	28,259	-
Derivative financial instruments	16	7,969	14,080
Loan receivables from a joint venture	9	18,073	5,645
Finance lease receivables	10	17,266	22,266
Assets held-for-sale	14	-	26,725
Cash and cash equivalents	17	90,256	112,210
Total current assets		374,704	387,980
Total assets		2,416,631	2,549,356
Share capital	18	1,419	1,419
Share premium	18	289,812	289,812
Treasury shares	18	(16,895)	(14,432)
Contributed surplus		685,913	685,913
Other reserves		(86,207)	(45,688)
Retained earnings		377,528	260,289
Total shareholders' equity		1,251,570	1,177,313
Borrowings	19	730,732	923,177
Lease liabilities	20	143,428	167,654
Derivative financial instruments	16	32,958	10,516
Other provisions		1,165	697
Total non-current liabilities		908,283	1,102,044
Borrowings	19	126,791	140,863
Lease liabilities	20	45,018	50,241
Derivative financial instruments	16	42,805	18,131
Current income tax liabilities	7(b)	995	1,560
Trade and other payables	21	41,169	59,204
Total current liabilities		256,778	269,999
Total liabilities		1,165,061	1,372,043
Total equity and liabilities		2,416,631	2,549,356

Andreas Sohmen-Pao
Chairman

Anders Onarheim
Chief Executive Officer

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

BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2020

		Attributable to equity holders of the Company									
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserve US$'000	Hedging reserve US$'000	Share-based payment reserve US$'000	Currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
Balance at 1 January 2020		1,419	289,812	(14,432)	685,913	(36,259)	(9,602)	230	(57)	260,289	1,177,313
Profit for the financial year		-	-	-	-	-	-	-	-	243,853	243,853
Other comprehensive loss for the financial year		-	-	-	-	-	(40,712)	-	(34)	-	(40,746)
Total comprehensive (loss)/income for the financial year		-	-	-	-	-	(40,712)	-	(34)	243,853	203,107
Share-based payment reserve - Value of employee services		-	-	-	-	-	-	227	-	-	227
Purchases of treasury shares	18	-	-	(2,463)	-	-	-	-	-	-	(2,463)
Dividends paid	27	-	-	-	-	-	-	-	-	(126,614)	(126,614)
Total transactions with owners, recognised directly in equity		-	-	(2,463)	-	-	-	227	-	(126,614)	(128,850)
Balance at 31 December 2020		1,419	289,812	(16,895)	685,913	(36,259)	(50,314)	457	(91)	377,528	1,251,570

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 December 2020

		Attributable to equity holders of the Company											
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserve US$'000	Hedging reserve US$'000	Share-based payment reserve US$'000	Currency translation reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2019		1,419	289,812	(12,700)	685,913	(36,259)	8,914	16	(27)	46,055	983,143	482	983,625
Profit for the financial year		-	-	-	-	-	-	-	-	273,840	273,840	56	273,896
Other comprehensive loss for the financial year		-	-	-	-	-	(18,516)	-	(30)	-	(18,546)	-	(18,546)
Total comprehensive (loss)/income for the financial year		-	-	-	-	-	(18,516)	-	(30)	273,840	255,294	56	255,350
Share-based payment reserve - Value of employee services		-	-	-	-	-	-	214	-	-	214	-	214
Purchases of treasury shares	18	-	-	(1,732)	-	-	-	-	-	-	(1,732)	-	(1,732)
Dividends paid	27	-	-	-	-	-	-	-	-	(59,606)	(59,606)	-	(59,606)
Distributions to non-controlling interests	26	-	-	-	-	-	-	-	-	-	-	(538)	(538)
Total transactions with owners, recognised directly in equity		-	-	(1,732)	-	-	-	214	-	(59,606)	(61,124)	(538)	(61,662)
Balance at 31 December 2019		1,419	289,812	(14,432)	685,913	(36,259)	(9,602)	230	(57)	260,289	1,177,313	-	1,177,313

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Cash flows from operating activities			
Profit before tax for the financial year		244,352	276,239
Adjustments for:			
- amortisation of intangible assets		241	-
- depreciation charge	8	152,206	126,273
- write-back of impairment charge on vessels	8	(8,200)	(37,995)
- gain on disposal of assets held-for-sale		(9,079)	(6,950)
- gain on disposal of vessels		(2,886)	-
- interest income		(4,142)	(5,349)
- interest expense		43,559	57,609
- other finance expense		1,981	1,267
- share-based payments		227	214
- share of profit of a joint venture	11	(5,095)	(3,025)
- finance lease income		(1,898)	(1,171)
- fair value gain from equity financial asset	15	(8,301)	-
- gain on derecognition of right-of-use assets	10	-	(10,394)
		402,965	396,718
Changes in working capital:			
- inventories		25,625	(12,667)
- trade and other receivables		(10,157)	(57,902)
- trade and other payables		(17,637)	19,704
- derivative financial instruments		13,238	7,678
- margin account held with broker		(15,215)	(18,685)
Total changes in working capital:		(4,146)	(61,872)
Tax paid	7(b)	(1,064)	(1,092)
Net cash provided by operating activities		397,755	333,754
Cash flows (used in)/from investing activities			
Additions in property, plant and equipment		(44,512)	(10,097)
Progress payments for vessel upgrades and dry docks[1]		(20,738)	(11,578)
Additions in intangible assets		(1,186)	-
Purchase of equity financial asset, at FVPL	15	(19,958)	-
Proceeds from sale of assets held-for-sale		40,999	39,089
Repayment of loan receivables from a joint venture		15,400	5,350
Repayment of finance lease receivables	10	22,265	9,624
Interest received		5,612	6,533
Net cash (used in)/provided by investing activities		(2,118)	38,921
Cash flows (used in)/from financing activities			
Proceeds from bank borrowings		220,000	358,500
Payment of financing fees		-	(4,576)
Repayments of bank borrowings		(427,804)	(560,326)
Payment of lease liabilities	20	(51,742)	(34,450)
Interest paid		(43,426)	(56,519)
Other finance expense paid		(1,911)	(3,282)
Purchases of treasury shares		(2,463)	(1,732)
Drawdown of trust receipts		200,574	114,318
Repayment of trust receipts		(199,420)	(81,014)
Dividend payment	27	(126,614)	(59,606)
Distributions to non-controlling interests	26	-	(538)
Net cash used in financing activities		(432,806)	(329,225)

[1] This will be reclassified from "prepayments" to "property, plant and equipment" upon completion.

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Net (decrease)/increase in cash and cash equivalents		(37,169)	43,450
Cash and cash equivalents at beginning of the financial year	17	93,525	50,075
Cash and cash equivalents at end of the financial year	17	56,356	93,525

Reconciliation of liabilities arising from financing activities

	Borrowings US$'000	Lease liabilities US$'000	Interest rate swaps* US$'000
At 1 January 2020	1,064,040	217,895	9,905
Cash changes:			
Proceeds from bank borrowings and trust receipts	420,574	-	-
Principal and interest payments	(654,311)	(60,292)	(8,238)
	(233,737)	(60,292)	(8,238)
Non-cash changes:			
Interest expense	27,220	8,550	7,789
Changes in fair value of interest rate swaps	-	-	24,779
Additions to lease liabilities	-	22,293	-
	27,220	30,843	32,568
At 31 December 2020	857,523	188,446	34,235
At 1 January 2019	1,234,696	174,295	(8,968)
Cash changes:			
Proceeds from bank borrowings and trust receipts	468,242	-	-
Principal and interest (payments)/receipts	(691,898)	(41,053)	1,994
	(223,656)	(41,053)	1,994
Non-cash changes:			
Interest expense/(income)	52,496	6,603	(1,490)
Changes in interest rate swaps	504	-	(504)
Changes in fair value of interest rate swaps	-	-	18,873
Additions to lease liabilities	-	78,050	-
	53,000	84,653	16,879
At 31 December 2019	1,064,040	217,895	9,905

* Interest rate swaps are hedged against certain portions of bank borrowings.

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

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

1. General information

BW LPG Limited (the "Company") is listed on the Oslo Stock Exchange and incorporated and domiciled in Bermuda. The address of its registered office is c/o Inchona Services Limited, 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 (note 29).

These consolidated financial statements were authorised for issue by the Board of Directors of the Company on 1 March 2021.

2. Significant accounting policies

(a) Basis of preparation

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.

New standards, amendments to published standards and interpretations, adopted by the Group

The Group has adopted the new standards and amendments to published standards as at 1 January 2020. Changes in the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and amendments.

The adoption of these new or amended standards and amendments did not result in substantial changes in the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Critical accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates, assumptions and judgements (continued)

The following is a summary of estimates and assumptions which have a material effect.

(1) Useful life and residual value of assets

The Group reviews the useful life and residual value of its vessels at the balance sheet date and any adjustments are made on a prospective basis. Residual value is estimated as the lightweight tonnage (LWT) of each vessel multiplied by the scrap steel price per LWT. If estimates of the residual values are revised, the amount of depreciation charge in the future years will be changed.

The useful lives of the vessels are assessed periodically based on the condition of the vessels, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels are revised or there is a change in useful lives, the amount of depreciation charge recorded in future years will be changed.

See note 8(d) for further disclosures.

(2) Impairment

The Group assesses at the balance sheet dates whether there is any objective evidence or indication that the values of the intangible assets, and property, plant and equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset, and write down the asset to the recoverable amount. The assessment of the recoverable amounts of the vessels is based on the higher of fair value less cost to sell and value-in-use calculations, with each vessel being regarded as one cash generating unit. The recoverable amount of vessels is estimated predominantly based on independent third party broker valuations.

Changes to these brokers' estimates may significantly impact the impairment charges recognised and future changes may lead to reversals of currently recognised impairment charges.

See note 8(c) for further disclosures.

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates, assumptions and judgements (continued)

(3) Revenue recognition

All voyage revenues, demurrage and voyage expenses are recognised on a percentage of completion basis. Load-to-discharge basis is used in determining the percentage of completion for all spot voyages and voyages servicing contracts of affreightment. Under this method, voyage revenue is recognised rateably over the period from the point of loading of the current voyage to the point of discharge of the current voyage.

Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route. Actual results may differ from estimates.

Revenue from time charters (net of any incentives given to lessees accounted for as operating leases) is recognised on a straight-line basis over the lease term.

Demurrage income is assessed at a percentage of the total estimated claims issued to customers. The estimation of this rate is based on the historical actual demurrage recovered over the total estimated claims issued to customers.

(b) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts, off-hire charges and after eliminating sales within the Group.

(1) Rendering of services

Revenue from time charters accounted for as operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Revenue from voyage charters is recognised rateably over the estimated length of the voyage within the respective reporting period, in the event the voyage commences in one reporting period and ends in the subsequent reporting period. No additional disclosures in relation to the incremental cost of obtaining the contract and the remaining performance obligation with an original duration of one year or less are made as the Group has applied the practical expedients available in the standard. Additionally, as the Group typically receives payments within one year from the start of the voyage, there are no additional disclosures made.

The Group determines the percentage of completion of voyage revenue using the load-to-discharge method. Under this method, voyage revenue is recognised evenly over the period from the point of loading of the current voyage to the point of discharge of the current voyage.

2. Significant accounting policies (continued)

(b) Revenue and income recognition (continued)

(1) Rendering of services (continued)

Demurrage revenue is recognised as revenue from voyage charter based on percentage of completion, consistent with the basis of recognising voyage freight revenue and is assessed at a percentage of the total estimated claims issued to customers. The estimation of this rate is based on the historical actual demurrage recovered over the total estimated claims issued to customers.

(2) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Group accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and 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 (continued)

(c) Group accounting (continued)

(1) Subsidiaries (continued)

(ii) Acquisitions

The Group uses the acquisition method of accounting to account for business combinations.

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 any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, and any gains or losses arising from such re-measurement are recognised in profit or loss.

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 (i) 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 (ii) the fair values of the identifiable net assets acquired, is recorded as goodwill.

The excess of: (i) fair value of the net identifiable assets acquired over the (ii) 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; is recorded in the profit or loss during the period when it occurs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. 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.

2. Significant accounting policies (continued)

(c) Group accounting (continued)

(1) Subsidiaries (continued)

(iii) Disposals

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 previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

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

(2) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(3) Joint venture

A joint venture is an entity over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entity.

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

(i) Acquisitions

Investment in a joint venture is 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 joint venture represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investment.

2. Significant accounting policies (continued)

(c) Group accounting (continued)

(3) Joint venture (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint venture's post-acquisition profits or losses in the Group's profit or loss and its share of the joint venture's other comprehensive income in the Group's other comprehensive income. Dividend received or receivable from the joint venture is recognised as a reduction of the carrying amount of the investment. When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations to make, or has made, payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of a joint venture are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investment in joint venture is derecognised when the Group loses joint control. If the retained equity interest in the former joint venture is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2. Significant accounting policies (continued)

(d) Intangible assets

Computer software

Acquired computer software are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the assets for its intended use. They are subsequently carried at cost less accumulated amortisation and impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated remaining useful lives of 5 years.

The useful lives are reviewed, and adjusted as appropriate, at least annually. The effects of any revision in estimate are recognised in profit or loss when the changes arise.

(e) Property, plant and equipment

(1) Measurement

(i) Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (note 2(f)).

(ii) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(iii) If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

(2) Depreciation

(i) Depreciation on property, plant and equipment is calculated using a straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Vessels	25 years
Dry docking/Scrubbers	2.5 - 5 years
Furniture and fixtures	3 - 5 years

2. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(2) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision in estimate are recognised in profit or loss when the changes arise.

The Group revised the useful life of its vessels from 30 years to 25 years on 1 January 2020 and has applied this revision on a prospective basis.

(ii) Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The remaining carrying amount of the old component as a result of a replacement will be written off to profit or loss.

(3) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment, including replacing a significant component, that has already been recognised, is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(4) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(f) Impairment of non-financial assets

Intangible assets with finite lives, property, plant and equipment and investment in a joint venture are tested for impairment whenever there is any objective evidence or an indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) 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 the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. Significant accounting policies (continued)

(f) Impairment of non-financial assets (continued)

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) is recognised in profit or loss.

(g) Derivative 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 hedge instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge or (b) cash flow hedge.

For derivative financial instruments that are not designated or do not qualify for hedge accounting, any fair value gains or losses are recognised in profit or loss as derivative gain/(loss) when the change arises.

At the inception of the transaction, the Group documents the relationship between the hedging instruments and hedged items as well as, the risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

2. Significant accounting policies (continued)

(g) Derivative financial instruments and hedging activities (continued)

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is classified as a current asset or liability.

The fair value of derivative financial instruments represents the amount estimated by banks or brokers that the Group will receive or pay to terminate the derivatives at the balance sheet date.

Hedges directly affected by interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

2. Significant accounting policies (continued)

(g) Derivative financial instruments and hedging activities (continued)

(1) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates. The Group hedges up to 75% of its floating rate borrowings and the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was assessed to be 100% effective.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest swaps are recognised immediately in profit or loss.

(2) Forward bunker swaps

The Group has entered into forward bunker swaps that are cash flow hedges for the Group's exposure to cash flow variability for its forecasted bunker purchases. These contracts entitle the Group to receive bunker at floating rates and oblige the Group to pay for bunker at fixed prices, or in some contracts to pay a fixed incremental spread (between high and low sulphur fuel oil) for low sulphur fuel oil. It was assessed that the economic relationship between the forward bunker swaps and the hedged item was effective as the critical terms match.

The fair value changes on the effective portion of the forward bunker swaps 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.

(3) Forward freight agreements (FFAs)

The Group has entered into FFAs that are cash flow hedges for the Group's exposure to cash flow variability for its forecasted freight earnings. These contracts entitle the Group to receive fixed freight rates and oblige the Group to pay floating freight rates for the volumes transacted. This effectively hedges the forecasted freight revenue contracted at future market freight rates. It was assessed that the economic relationship between the FFAs and the hedged item was effective as the critical terms match.

The fair value changes on the effective portion of the FFAs 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.

2. Significant accounting policies (continued)

(h) Financial assets

(1) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised costs, are presented as "loan receivables from a joint venture" (note 9), "finance lease receivables" (note 10) "trade and other receivables" (note 13) and "cash and cash equivalents" (note 17) in the consolidated balance sheet.

These financial assets are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group managed these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

The Group assesses on a forward looking basis the expected credit losses (ECLs) associated with these groups of financial assets.

For trade receivables, finance lease receivables and other receivables – related party, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For loan receivables from a joint venture and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since the initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

2. Significant accounting policies (continued)

(h) Financial assets (continued)

(1) Financial assets at amortised cost (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

When the asset becomes uncollectible, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period by the amount of ECL reversal that is required to adjust the loss allowance to the amount that is required to be recognised at the reporting date.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(2) Equity Investments

Equity investments are initially recognised at its fair value. Transaction costs are expensed in profit or loss.

(i) The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as fair value through profit or loss (“FVPL”) with movements in their fair values recognised in profit or loss in the period in which the changes arise. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(ii) On disposal of an equity investment, the difference between the carrying amount and sales proceed 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 differences 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.

2. Significant accounting policies (continued)

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and 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 period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities in the consolidated balance sheet unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(j) Borrowing costs

Borrowing costs are recognised in the consolidated statement of comprehensive income using the effective interest method except for those costs that are directly attributable to the construction of vessels. This includes those costs on borrowings acquired specifically for the construction of vessels, as well as those in relation to general borrowings used to finance the construction of vessels.

Borrowing costs on borrowings acquired specifically for the construction of vessels are capitalised in the cost of the vessel under construction during the period of construction until the Group takes delivery of the vessels. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to the construction expenditures that are financed by general borrowings.

(k) Trade and other payables

Trade and other payables represent liabilities to pay for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method, and are derecognised when the Group's obligation has been discharged or cancelled or expired.

2. Significant accounting policies (continued)

(l) <u>Leases</u>

(1) As a 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 recognised a right-of-use asset and lease liability at the lease commencement date. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs 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.

The right-of-use assets are subsequently carried at cost less accumulated depreciation and accumulated impairment losses (note (2f)). Depreciation is calculated on straight-line method from the commencement date to the to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or it is reasonably certain that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

Right-of-use assets are presented within “Right-of-use assets (vessels)”.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

2. Significant accounting policies (continued)

(l) Leases (continued)

(1) As a lessee: (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments not dependent on an index or rate and lease payments arising from leases with lease terms less than 12 months are recognised as an expense as incurred, or on a straight-line basis over the lease term and presented within "charter hire expenses".

Payments made in relation to the non-lease components of the leases are recognised as an expense on a straight-line basis over the lease term.

(2) As a lessor:

The Group time charters vessels to non-related parties under operating lease agreements. The leases have varying terms.

Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see note 2(h)).

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

(l) Leases (continued)

(3) As an intermediate lessor

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in the statement of comprehensive income. Lease liability relating to the head lease is retained on the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Revenue from time charter voyages". The right-of-use asset relating to the head lease is not derecognised.

(m) 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 for financial assets are the current bid prices; the appropriate 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 that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

(n) Inventories

Inventories comprise fuel oil remaining on board and liquefied petroleum gas held for trading purposes.

Fuel oil is measured at the lower of cost (on a first-in, first-out basis) and net realisable value.

Liquefied petroleum gas held for trading purposes are measured at fair value less costs to sell. Any change in fair value is recognised in profit or loss for the period in which it arose.

2. Significant accounting policies (continued)

(o) Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation where 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 a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

(p) Foreign currency translation

(1) Functional and presentation currency

Items included in the 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 Dollars ("US$"), which is the functional currency of the Company.

(2) Transactions 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 the transactions. Foreign currency exchange gains and losses 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 within "finance expense – net".

2. Significant accounting policies (continued)

(p) Foreign currency translation (continued)

(3) Translation of Group entities' financial statements

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 United States Dollars are translated into United States Dollars as follows:

(i) Assets and liabilities are translated at the closing rate at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless this 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 on the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

(q) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be classified as an asset.

(1) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(2) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Significant accounting policies (continued)

(q) Employee benefits (continued)

(3) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When the share options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based payment reserve are credited to share capital (nominal value) and share premium, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are reissued to the employees.

(r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(s) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and short-term bank deposits less margin account held with brokers which are subject to an insignificant risk of change in value.

(t) Share capital and treasury shares

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against share premium, a component of the share capital account.

When any entity within the Group purchases the Company's common shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2. Significant accounting policies (continued)

(u) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management 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 amounts expected to be paid to the tax authorities.

(v) Dividend to Company's shareholders

Dividend to Company's shareholders is recognised when the dividend is approved.

(w) Segment reporting

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

(x) Non–current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if its carrying amount is recovered principally through a sale transaction rather than through continuing use. The asset is not depreciated or amortised while it is classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(y) Commodity contracts

Contracts to buy and sell commodities are accounted for as derivatives at fair value through profit or loss. Accordingly, the net settlement of these contracts are presented within "Net gain from commodity contracts" on the Consolidated Statement of Comprehensive Income.

(z) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

The Group is involved in certain claims, litigations and disputes. Due to the nature of these disputes and matters, and the uncertainty of the outcome, the Group believes that possible obligations arising is remote and the amount of exposure cannot currently be determined.

3. Net gain from commodity contracts

	2020 US$'000	2019 US$'000
Net settlement of commodity sale contracts and derivatives*	247,878	158,533
Net settlement of commodity purchase contracts and derivatives	(246,981)	(157,335)
Net gain from commodity contracts	897	1,198

* Excluded from this amount is US$68.0 million (2019: US$39.4 million) which relates to voyage revenue, recognised proportionately on a load-to-discharge basis, and recorded within "Revenue from spot voyages" on the Consolidated Statement of Comprehensive Income.

4. Expenses by nature

	2020 US$'000	2019 US$'000
Fuel oil consumed	165,310	188,036
Port charges	75,226	72,719
Other voyage expenses	20,425	9,175
Voyage expenses	260,961	269,930
Manning costs	52,007	55,401
Maintenance and repair expenses	31,165	30,634
Insurance expenses	3,740	3,895
Other vessel operating expenses	12,845	9,928
Vessel operating expenses	99,757	99,858
Employee compensation (note 5)	12,169	10,612
Directors' fees	397	427
Audit fees	422	447
Other general and administrative expenses	9,770	15,366
General and administrative expenses	22,758	26,852
Time charter-in expenses (short-term)	8,496	14,208
Time charter-in expenses (variable payments)	3,764	-
Charter hire expenses	12,260	14,208
Time charter contracts (non-lease components)	13,573	9,744
Sundry income	(1,656)	(381)
Other operating expenses	1,176	574
Other operating (income)/expenses – net	(480)	193

5. Employee compensation

	2020 US$'000	2019 US$'000
Wages and salaries	11,573	10,063
Share-based payments - equity settled	227	214
Post-employment benefits - contributions to defined contribution plans	369	335
	12,169	10,612

6. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the financial year, after adjusting for all dilutive potential ordinary shares. The potential common shares arising from the Company's equity-settled, share-based compensation plan does not have a material impact on the computation of basic earnings per share.

	2020	2019
Net profit attributable to equity holders of the Company (US$'000)	243,853	273,840
Weighted average number of common shares outstanding ('000)	138,234	138,720
Basic and diluted earnings per share (US$ per share)	1.76	1.97

7. Income tax expense

(a) Income tax expense

	2020 US$'000	2019 US$'000
Tax expense attributable to profit is made up of:		
- profit for the financial year:		
current income tax	390	1,670
- under-provision in prior financial years:		
current income tax	109	673
	499	2,343

(b) Movement in current income tax liabilities

	2020 US$'000	2019 US$'000
At beginning of the financial year	1,560	309
Income tax expense	499	2,343
Income tax paid	(1,064)	(1,092)
At end of the financial year	995	1,560

There are no income, withholding, capital gains or capital transfer taxes payable in Bermuda. Income tax expense reconciliation is as follows:

	2020 US$'000	2019 US$'000
Profit before tax	244,352	276,239
Tax calculated at a tax rate of 0% (2019: 0%)	-	-
Effects of different tax rates in other countries	499	2,343
Income tax expense	499	2,343

8. Property, plant and equipment

	Vessels US$'000	Dry docking US$'000	Furniture and fixtures US$'000	Right-of-use assets (Vessels) US$'000	Total US$'000
Cost					
At 1 January 2020	2,363,978	81,469	546	191,115	2,637,108
Additions	30,942	13,570	-	22,293	66,805
Disposals	(118,912)	(3,793)	-	-	(122,705)
Reclassified to assets held-for-sale (note 14)	(25,558)	(5,291)	-	-	(30,849)
Write off on completion of dry docking costs	-	(17,511)	-	-	(17,511)
At 31 December 2020	2,250,450	68,444	546	213,408	2,532,848

8. **Property, plant and equipment** (continued)

	Vessels US$'000	Dry docking US$'000	Furniture and fixtures US$'000	Right-of-use assets (Vessels) US$'000	Total US$'000
Accumulated depreciation and impairment charge					
At 1 January 2020	487,735	54,090	285	26,086	568,196
Depreciation charge	100,613	15,612	125	35,856	152,206
Disposals	(35,332)	(2,597)	-	-	(37,929)
(Write-back)/Impairment charge	(12,400)	-	-	4,200	(8,200)
Reclassified to assets held-for-sale (note 14)	(20,363)	(5,291)	-	-	(25,654)
Write off on completion of dry docking costs	-	(17,511)	-	-	(17,511)
At 31 December 2020	520,253	44,303	410	66,142	631,108
Net book value					
At 31 December 2020	**1,730,197**	**24,141**	**136**	**147,266**	**1,901,740**
Cost					
At 1 January 2019	2,457,956	86,068	423	173,195	2,717,642
Additions	6,699	3,275	123	78,051	88,148
Disposals	-	-	-	(60,131)	(60,131)
Reclassified to assets held-for-sale (note 14)	(100,677)	(4,083)	-	-	(104,760)
Write off on completion of dry docking costs	-	(3,791)	-	-	(3,791)
At 31 December 2019	2,363,978	81,469	546	191,115	2,637,108
Accumulated depreciation and impairment charge					
At 1 January 2019	495,544	42,384	151	-	538,079
Depreciation charge	79,108	17,294	134	29,737	126,273
Disposals	-	-	-	(3,651)	(3,651)
Write-back of impairment charge	(37,995)	-	-	-	(37,995)
Reclassified to assets held-for-sale (note 14)	(48,922)	(1,797)	-	-	(50,719)
Write off on completion of dry docking costs	-	(3,791)	-	-	(3,791)
At 31 December 2019	487,735	54,090	285	26,086	568,196
Net book value					
At 31 December 2019	1,876,243	27,379	261	165,029	2,068,912

8. Property, plant and equipment (continued)

(a) Vessels with an aggregate carrying amount of US$1,619.3 million as at 31 December 2020 (2019: US$1,897.0 million) are secured on borrowings (note 19).

(b) As at 31 December 2020, the Group has capital commitments relating to vessel upgrade of US$70.6 million (2019: US$15.9 million).

(c) In FY 2020, the Group wrote-back an impairment charge amounting to US$12.4 million (FY 2019: US$38.0 million) of certain vessels to their recoverable amounts following the recovery of the freight market and asset prices. The assessment of the recoverable amounts of the vessels were based on the higher of fair value less cost to sell and value-in-use calculation, with each vessel being regarded as one cash generating unit. The recoverable amount of each vessel is 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 that is also applicable for financial assets/liabilities. The Group has assessed that the brokers had the required competency and capability to perform the valuations. The Group had also considered the appropriateness of the valuation methodologies and assumptions used by the brokers.

(d) On 1 January 2020, the Group revised the useful life of its vessels from 30 years to 25 years given the recent developments in market conditions arising from new regulatory requirements. The revision has been applied on a prospective basis from 1 January 2020. The increase in depreciation for FY 2020 was US$23 million. The expected increase in depreciation is US$21 million per year till FY 2025 and a decrease of US$128 million in aggregate thereafter, calculated based on the Group's current fleet of vessels as at 31 December 2020.

9. Loan receivables from a joint venture

In 2020, the Group sold an additional two VLGCs to the joint venture for a total consideration of US$90.0 million under a deferred payment agreement. The deferred payment amount of US$90.0 million is presented within "loan receivables from a joint venture".

The loan receivables from the joint venture are secured by four VLGCs, bearing interest at LIBOR plus 4.5% per annum and are repayable by 2025 and 2027 in consecutive quarterly instalments with a bullet payment upon maturity. The carrying amounts of current and non-current loan receivables from a joint venture approximate their fair values because interest rates are repriced on a regular basis.

	2020 US$'000	2019 US$'000
Loan receivables – non-current	115,150	52,550
Loan receivables – current	18,073	5,645
	133,223	58,195

10. Finance lease receivables

In 2019, back-to-back time charter contracts were entered into and the subleases were accounted for as finance leases under IFRS 16. At the commencement of these contracts, finance lease receivables of US$67.2 million were recognised along with the derecognition of right-of-use assets of US$56.8 million. This had resulted in a derecognition gain of US$10.4 million.

	2020 US$'000	2019 US$'000
At beginning of the financial year	57,592	-
Addition	-	67,216
Amortisation	(22,265)	(9,624)
At end of the financial year	35,327	57,592

The table below sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 3 years US$'000	Between 3 and 4 years US$'000	Between 4 and 5 years US$'000	Total US$'000
At 31 December 2020						
Undiscounted lease receivables	18,291	8,120	8,120	2,707	-	37,238
Less: Unearned finance income	(1,025)	(585)	(278)	(23)	-	(1,911)
	17,266	7,535	7,842	2,684	-	35,327
At 31 December 2019						
Undiscounted lease receivables	24,164	18,290	8,120	8,120	2,707	61,401
Less: Unearned finance income	(1,898)	(1,025)	(585)	(278)	(23)	(3,809)
	22,266	17,265	7,535	7,842	2,684	57,592

11. Investment in a joint venture

The movement in the investments in joint venture as follows:

	2020 US$'000	2019 US$'000
At beginning of the financial year	2,861	-
Share of profit after tax	5,095	3,025
Unrealised profit on disposal of vessels between related parties	(2,895)	-
Unrecognised share of losses	-	(134)
Currency translation adjustments	(34)	(30)
At end of the financial year	5,027	2,861

In October 2017, the Group and Global United Shipping India Private Limited formed a joint venture in India, BW Global United LPG India Private Limited, to own and operate VLGC vessels for the transportation of LPG to India. As part of the establishment of the joint venture, the Group agreed to sell two VLGC vessels to the joint venture company that is 50% owned by BW LPG Investments Limited. The unrealised gain of US$0.6 million is included in the carrying value of the investments in the joint venture and is amortised over the remaining useful life of the vessels. The unamortised gain as at 31 December 2020 is US$0.4 million (2019: US$0.5 million).

Between November and December 2020, the Group entered into sale and purchase agreements and concluded the sale of two vessels with the joint venture company. The unrealised gain of US$2.9 million is included in the carrying value of the investments in the joint venture and is amortised over the remaining useful life of the vessels. The unamortised gain as at 31 December 2020 is US$2.9 million.

The following table summarized the financial information of the joint venture:

Summarised balance sheet

	2020 US$'000	2019 US$'000
As at 31 December		
ASSETS		
Current assets	10,353	9,113
Includes:		
- Cash and cash equivalents	1,766	1,813
Non-current assets	148,624	57,918
LIABILITIES		
Current liabilities	2,502	-
Non-current liabilities (Borrowings)	139,847	60,404
Net assets	16,628	6,626

11. Investment in a joint venture (continued)

Summarised statement of comprehensive income

	2020 US$'000	2019 US$'000
Revenue	29,515	25,803
Depreciation and amortisation	(6,379)	(5,038)
Finance expense	(4,344)	(5,151)
Profit before tax	10,182	6,111
Income tax expense	(112)	(96)
Profit for the financial year	10,070	6,015

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts).

Reconciliation of summarised financial information

	2020 US$'000	2019 US$'000
Net assets as at 31 December	16,628	6,626
Group's equity interest	50%	50%
Group's share of net assets	8,314	3,313
Unrealised profit on disposal of vessels between related parties	(3,287)	(452)
Carrying value	5,027	2,861

12. Inventories

	2020 US$'000	2019 US$'000
Fuel oil, at cost	13,800	26,353
Liquefied petroleum gas	1,257	14,329
	15,057	40,682

13. Trade and other receivables

	2020 US$'000	2019 US$'000
Trade receivables – non-related parties	148,784	135,427
Other receivables – non-related parties	2,413	4,173
Other receivables – related parties^	1,589	4,081
	152,786	143,681
Prepayments	45,038	22,691
	197,824	166,372

^ Related parties refer to corporations controlled by a shareholder of the Company.

Contract assets – accrued revenue of US$56.6 million (2019: US$50.5 million) had been presented within "Trade receivables – non-related parties". These relate to the Group's rights to consideration for proportional performance from voyage charters-in-progress at the balance sheet date. The contract assets are transferred to trade receivables when the rights become unconditional which typically occurs in the next financial year. This usually occurs when the Group invoices the customers.

As at 31 December 2020, the Company has recorded a pool receivable of US$12.0 million. The Company had initiated arbitration proceedings against the prior pool members to claim the amounts owed to the Company. Although the Company has won the arbitration, the prior pool members have challenged the arbitration award. It is the opinion of the Management that the Company will recover this pool receivable.

Other receivables due from related parties comprise mainly advances for vessel operating expenses. They are unsecured, interest-free and repayable on demand. The carrying amounts of trade and other receivables, principally denominated in US$, approximate their fair values due to the short-term nature of these balances.

14. Assets held-for-sale

	2020 US$'000	2019 US$'000
At beginning of the financial year	26,725	4,823
Reclassified from property, plant and equipment (note 8)	5,195	54,041
Disposal	(31,920)	(32,139)
At end of the financial year	-	26,725

As at 31 December 2019, assets held-for-sale comprised one LGC that has been committed for sale to a non-related party. The LGC was delivered in the first quarter of 2020.

15. Equity financial assets, at fair value

	2020 US$'000
At beginning of financial year	-
Additions	19,958
Fair value gains	8,301
At end of financial year	28,259

16. Derivative financial instruments

	2020		2019	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Interest rate swaps	-	(34,235)	723	(10,628)
Forward freight agreements and related bunker swaps	3,108	(18,761)	3,742	(1,674)
Commodity contracts and derivatives	4,146	(22,767)	10,298	(16,345)
Forward foreign exchange contracts	715	-	40	-
	7,969	(75,763)	14,803	(28,647)
Non-current	-	(32,958)	723	(10,516)
Current	7,969	(42,805)	14,080	(18,131)
	7,969	(75,763)	14,803	(28,647)

As at 31 December 2020, the Group has interest rate swaps with total notional principal amounting to US$587.8 million (2019: US$656.2 million). The Group's interest rate swaps mature between 2022 to 2028.

Interest rate swaps were transacted to hedge the interest rate risk on bank borrowings. After taking into account the effects of these contracts, for part of the bank borrowings, the Group would effectively pay fixed interest rates ranging from 1.3% per annum to 2.9% per annum and would receive a variable rate equal to either US$ three-month LIBOR or US$ six-month LIBOR. Hedge accounting was adopted for these contracts.

Forward freight agreements and related bunker swaps were transacted to hedge freight rates and bunker price risks. Hedge accounting was adopted for these contracts.

Commodity contract derivatives comprise physical buy and sell commodity contracts measured at fair value through profit or loss, and commodity derivative contracts. The Group did not adopt hedge accounting for these contracts.

Forward foreign exchange contracts were transacted to hedge foreign exchange risks. The Group did not adopt hedge accounting for these contracts.

17. Cash and cash equivalents

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2020 US$'000	2019 US$'000
Cash and cash equivalents per consolidated balance sheet	90,256	112,210
Less: Margin account held with broker *	(33,900)	(18,685)
Cash and cash equivalents per consolidated statement of cash flows	56,356	93,525

* Margin account held with brokers are collateral for open derivative financial instruments.

18. Share capital and other reserves

(a) Issued and fully paid share capital

(i) As at 31 December 2020 and 2019, the Company's share capital comprised 141,938,998 fully paid common shares with a par value of US$0.01. Fully paid common shares carry one vote per share and carry a right to dividend as and when declared by the Company.

(ii) The Company operates two equity-settled, share-based compensation plans. The 2015 Long-Term Incentive Plan ("LTIP 2015") was fully vested in 2018 and common shares of 2,197 were issued to certain employees. The LTIP 2015 was replaced by a 2017 Long-Term Incentive Plan ("LTIP 2017"). For LTIP 2017, at the end of the vesting periods between February 2020 and February 2024, common shares of 1,657,424 (2019: 2,260,000) may be issued to certain employees.

(b) Share premium

The differences between the consideration for common shares issued and their par value are recognised as share premium.

(c) Capital reserve

As at 31 December 2020 and 31 December 2019, negative capital reserve amounted to US$36.3 million, which comprises negative reserve arising from the business acquisition of entities under common control using the pooling-of-interest method of accounting of US$41.5 million and a gain on disposal of treasury shares of US$5.2 million in December 2015.

18. Share capital and other reserves (continued)

(d) Share-based payment reserve

Certain employees are entitled to receive common shares in the Company. This award is recognised as an expense in the consolidated profit or loss with a corresponding increase in the share-based payment reserve over the vesting periods. For the year ended 31 December 2020, an expense of US$0.23 million (2019: US$0.22 million) was recognised in the consolidated profit or loss with a corresponding increase (2019: increase) recognised in the share-based payment reserve.

(e) Treasury shares

	Number of shares		Amount	
	2020	2019	**2020**	2019
	'000	'000	**US$'000**	US$'000
Balance as at 1 January	**3,321**	2,753	**14,432**	12,700
Purchases of treasury shares	**521**	568	**2,463**	1,732
Balance as at 31 December	**3,842**	3,321	**16,895**	14,432

Pursuant to the Company's Long-term Management Share Option Plan ("LTIP 2017") announced on 21 April 2017, the fourth tranche of 521,424 shares were purchased during the period from 4 March 2020 to 3 June 2020 at an average price of US$4.72 (NOK44.10) per share for an aggregate consideration of US$2.5 million (NOK23.0 million). In 2019, pursuant to the same LTIP 2017 plan, the third tranche of 568,000 shares were purchased during the period from 5 March 2019 to 11 March 2019 at an average price of US$3.05 (NOK26.60) per share for an aggregate consideration of US$1.7 million (NOK15.1 million).

19. Borrowings

	2020 US$'000	2019 US$'000
Borrowings		
Bank borrowings	821,169	1,026,321
Trust receipts	34,457	33,304
Interest payable	1,897	4,415
	857,523	1,064,040
Non-current	730,732	923,177
Current	126,791	140,863
	857,523	1,064,040

As at 31 December 2020, bank borrowings amounting to US$823.1 million (2019: US$1,030.7 million) are secured by mortgages over certain vessels of the Group (note 8). These bank borrowings are interest bearing at three-month or six-month US Dollar LIBOR plus a margin. The carrying amounts of non-current and current borrowings approximate their fair values because interest rates are repriced on a regular basis.

20. Lease liabilities

	2020 US$'000	2019 US$'000
At beginning of financial year	217,895	174,295
Lease liabilities	22,293	78,050
Repayments	(51,742)	(34,450)
Interest expense	8,550	6,603
Interest paid	(8,550)	(6,603)
At end of financial year	188,446	217,895
Non-current	143,428	167,654
Current	45,018	50,241
	188,446	217,895

21. Trade and other payables

	2020 US$'000	2019 US$'000
Trade payables – non-related parties	6,418	7,465
Other payables – non-related parties	178	117
Other payables – related parties^	16	536
Charter hire received in advance	6,633	7,489
Other accrued operating expenses	27,924	43,597
	41,169	59,204

^ Related parties refer to corporations controlled by a shareholder of the Company.

The carrying amounts of trade and other payables, principally denominated in US$, approximate their fair values due to the short-term nature of these balances.

Other payables due to related parties are unsecured, interest-free and are payable on demand.

22. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

(a) Services

	2020 US$'000	2019 US$'000
Corporate service fees charged by related parties^	6,724	6,073
Ship management fees charged by related parties^	2,073	2,584
Corporate service fees charged to related parties^	468	304

^ Related parties refer to corporations controlled by a shareholder of the Company.

(b) Key management's remuneration

	2020 US$'000	2019 US$'000
Salaries and other short-term employee benefits	2,165	2,934
Post-employment benefits - contributions to defined contribution plans and share-based payment	193	220
Directors' fees	397	427
	2,755	3,581

22. Related party transactions (continued)

(c) Others

	2020 US$'000	2019 US$'000
Interest income from a joint venture	3,617	4,690
Sale of vessels to a joint venture	90,000	-

23. Commitments

(a) Commitments – as a lessor

The Group time charters vessels to non-related parties under operating lease agreements. The leases have varying terms.

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

	2020 US$'000	2019 US$'000
Less than one year	78,340	50,273
One to two years	16,837	21,212
	95,177	71,485

(b) Sub-leasing – as a lessor

Included within "Revenue from time charter voyages" was income from sub-leasing of right-of-use assets of US$3.4 million (2019: US$11.7 million).

24. Financial risk management

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group. Where applicable, the Group uses financial instruments such as interest rate swaps, forward freight agreements, bunker swaps, and commodity contracts to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Fuel price risk

The Group is exposed to the risk of variations in fuel oil costs, which are affected by the global political and economic environment. In 2020, fuel oil costs comprised 42% (2019: 46%) of the Group's total operating expenses (excluding amortisation, depreciation and charter hire expenses).

(ii) Currency risk

The Group's business operations are not exposed to significant foreign exchange risk as it has no significant regular transactions denominated in foreign currencies.

24. Financial risk management (continued)

(a) Market risk (continued)

(iii) Equity price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as equity financial assets, at FVPL. These securities are listed in Norway.

If prices for equity securities listed in Norway increase/decrease by 10% with other variables including tax rate being held constant, the profit after tax will be higher/lower by approximately US$2.8 million.

(iv) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's bank borrowings are at variable rates. The Group has entered into interest rate swaps to swap floating interest rates to fixed interest rates for certain portions of the bank borrowings (note 19). If the US$ interest rates increase/decrease by 15 basis points (2019: 50 basis points) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by approximately US$0.4 million (2019 profit after tax will be lower/higher by approximately US$1.9 million) as a result of higher/lower interest expense on these borrowings; the other comprehensive loss will be lower/higher by approximately US$2.9 million (2019: other comprehensive loss will be lower/higher by approximately US$11.8 million).

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

24. Financial risk management (continued)

(a) Market risk (continued)

(iv) Interest rate risk (continued)

Management monitors and manages the Group's transition to alternative rates. Management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to various IBORs. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA) master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. No derivative instruments have been modified as at 31 December 2020.

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2020. The Group's hedged items and hedging instruments continue to be indexed to indexed to various IBORs. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to IFRS 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

24. Financial risk management (continued)

(b) Credit risk

Credit risk is diversified over a range of counterparties including several key charterers. The Group performs ongoing credit evaluation of its charterers and has policies in place to ensure that credit is extended only to charterers with appropriate credit histories or financial resources. In this regard, the Group is of the opinion that the credit risk of counterparty default is appropriately mitigated. In addition, although the trade and other receivables consist of a small number of customers, the Group has policies in place for the control and monitoring of the concentration of credit risk. The Group has implemented policies to ensure cash is only deposited with internationally recognised financial institutions with good credit ratings.

The Group's credit risk is primarily attributable to trade and other receivables, loan receivables from a joint venture, finance lease receivables, amounts due from related parties and cash and cash equivalents. The Group has assessed the ECL as at 31 December 2020 and 31 December 2019 based on past events, current conditions and forecasts of future economic conditions:

(i) General approach
- trade receivables are neither past due nor impaired and are substantially from companies with a good collection track record with the Group; and
- finance lease receivables are due from customers with good credit standing, and in the event of default, the Group would be entitled to repossess the vessels chartered.

(ii) Simplified approach
- bank deposits are not impaired and are mainly deposits with banks with credit-ratings assigned by international credit-rating agencies; and
- loan receivables from a joint venture and other receivables related parties are not past due.

Based on the assessment of the qualitative factors that are indicative of the risk of default, there have been no significant increases in the credit risk since the initial recognition of these financial assets, as such, the expected credit losses based on the 12-month ECLs has been assessed to be insignificant.

There is no significant balance as at the balance sheet date that is past due as substantial portions of the trade and other receivables represent accrued revenue for voyage charters-in-progress, unbilled receivables from time charters and unbilled demurrage receivables at the balance sheet date. The maximum exposure is represented by the carrying value of each financial asset on the consolidated balance sheet before taking into account any collateral held.

24. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains sufficient cash for its daily operations via short-term cash deposit at banks and has access to unutilised portion of revolving facilities offered by financial institutions.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date on an undiscounted basis.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
At 31 December 2020				
Trade and other payables	34,536	-	-	-
Bank borrowings	106,129	106,498	199,971	488,058
Trust receipts	34,457	-	-	-
Lease liabilities	51,676	43,655	99,385	12,097
	226,798	150,153	299,356	500,155
At 31 December 2019				
Trade and other payables	51,715	-	-	-
Bank borrowings	140,072	135,902	416,935	523,570
Trust receipts	33,304	-	-	-
Lease liabilities	57,049	47,885	107,911	28,707
	282,140	183,787	524,846	552,277

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend paid, return capital to shareholders, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital based on a book leverage ratio (defined as total debt to total equity and debt). The Group pursues a policy aiming to achieve a target book leverage ratio of below 60%. If the book leverage ratio is higher than 60%, the Group will seek to return to a conservative financial level by disposing assets, deleveraging the balance sheet; and/or increasing fixed income coverage within a reasonable period of time.

The Group's gross leverage ratio at 31 December 2020 is 46% (2019: 52%).

The Group is in compliance with all other externally imposed capital requirements for the financial year ended 31 December 2020 and 2019.

24. Financial risk management (continued)

(e) Financial instruments by category

The aggregate carrying amounts of the Group's financial instruments are as follows:

	2020 US$'000	2019 US$'000
Equity financial assets, at FVPL	28,259	-
Net derivative liabilities measured at fair value	(67,794)	(13,844)
Financial assets at amortised cost	319,617	263,561
Financial liabilities at amortised cost	892,059	1,115,755

(f) Estimation of fair value

IFRS 13 established a fair value hierarchy that prioritises inputs used to measure fair value. The three levels of the fair value input hierarchy defined by IFRS 13 are as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 US$'000	Level 2 US$'000	Total US$'000
2020			
Assets			
Equity financial assets, at FVPL	28,259	-	28,259
Derivative financial instruments	-	7,969	7,969
Total assets	28,259	7,969	36,228
Liabilities			
Derivative financial instruments	-	75,763	75,763
Total liabilities	-	75,763	75,763
2019			
Assets			
Derivative financial instruments	-	14,803	14,803
Total assets	-	14,803	14,803
Liabilities			
Derivative financial instruments	-	28,647	28,647
Total liabilities	-	28,647	28,647

24. Financial risk management (continued)

(f) Estimation of fair value (continued)

Derivative financial assets and liabilities

The Group's financial derivative instruments primarily relate to interest rate swaps, forward freight agreements, bunker swaps and commodity contracts (note 16) measured at fair value and are within Level 2 of the fair value hierarchy. The fair values of financial derivative instruments that are not traded in an active market are determined by using valuation techniques. The fair values of interest rate swaps are calculated at the present value of estimated future cash flows based on observable yield curves. The fair values of forward freight agreements, bunker swaps and commodity contracts measured at fair value are determined using forward commodity indices at the balance sheet date.

Non-derivative non-current financial assets and liabilities

The carrying amount of non-derivative non-current financial assets and liabilities which bear floating interest rates are assumed to approximate their fair value because of the short repricing period. There are no non-current financial assets and liabilities which do not bear floating interest rates.

Non-derivative current financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair value because of the short period to maturity.

(g) Offsetting financial assets and financial liabilities

The Group has the following financial instruments subject to enforceable master netting arrangements or other similar agreements as follows:

2020	Gross amounts of recognised financial instruments US$'000	Gross amounts of recognised financial instruments offset in the balance sheet US$'000	Net amounts of financial instruments included in the balance sheet US$'000	Related financial instruments that are not offset US$'000	Net amount US$'000
Derivative financial assets					
Commoditiy contracts (Note 16)	66,521	(62,375)	4,146	-	4,146
Derivative financial liabilities					
Commoditiy contracts (Note 16)	85,142	(62,375)	22,767	-	22,767

25. Segment information

The Group has two main operating segments:

(i) Very Large Gas Carriers (VLGCs); and
(ii) Product Services

The Product Services Division was established on 25 February 2019 to support the Group's core shipping business and commenced its product trading and delivery services in Q2 2019.

The Product Services segment represent less than 10 percent of the Group's total assets, revenue and profit or loss. The Group has determined that this segment is not material to the Group for the years ended 31 December 2020 and 31 December 2019 and has reported information as one combined segment.

Geographical information

Non-current assets comprise mainly vessels, operating on an international platform with individual vessels calling at various ports across the globe. The Group does not consider the domicile of its customers as a relevant decision making guideline and hence does not consider it meaningful to allocate vessels and revenue to specific geographical locations.

26. Distributions to non-controlling interests

	2020 US$'000	2019 US$'000
Distributions to non-controlling interests in		
- KS Havgas Partners	-	538
	-	538

The partnership, which was a subsidiary of the Group, had made distributions in accordance with the requirements of the partnership agreement. Distributions above reflect those amounts that were paid to non-controlling interests. The partnership was liquidated in the financial year ended 31 December 2019.

27. Dividends paid

	2020 US$'000	2019 US$'000
Final dividend paid in respect of FY 2019 of US$0.42 (2019: in respect of FY 2018 of US$nil) per share	57,201	-
Interim dividend paid in respect of Q1 2020 of US$0.20 (2019: in respect of Q1 2019 of US$nil) per share	28,120	-
Interim dividend paid in respect of Q2 2020 of US$0.15 (2019: in respect of Q2 2019 of US$0.10) per share	20,621	13,862
Interim dividend paid in respect of Q3 2020 of US$0.15 (2019: in respect of Q3 2019 of US$0.33) per share	20,672	45,744
	126,614	59,606

The Board has declared a final cash dividend of US$0.34 per share for 2020, amounting to US$47.0 million. Together with the interim dividend paid for Q1 to Q3 2020 of US$0.50 per share, the total dividend payout for FY 2020 will amount to US$0.84 per share or US$116.4 million. The shares will be traded ex-dividend on and after 4 March 2021. The dividend will be payable on or about 16 March 2021 to shareholders of record as at 5 March 2021.

28. Subsequent events

In January 2021, the Group exercised a purchase option for a bareboat-in vessel amounting to US$28.0 million.

One VLGC vessel was delivered to the joint venture, BW Global United LPG India Private Limited in February 2021.

29. Listing of companies in the Group

Name of companies		Principal activities	Country of incorporation	Equity holding 2020	Equity holding 2019
(i) Subsidiaries held by the Company					
BW LPG Holding Limited		Investment holding	Bermuda	100%	100%
BW LPG Product Services Limited		Investment holding	Bermuda	100%	100%
(ii) Subsidiaries held by BW LPG Holding Limited					
BW Gas LPG Chartering Pte. Ltd		Chartering	Singapore	100%	100%
BW VLGC Pte. Ltd		Shipowning	Singapore	100%	100%
BW Lord Limited		Dormant	Bermuda	100%	100%
BW Princess Limited	(a)	Dormant	Bermuda	-	100%
LPG Transport Service Ltd.		Dormant	Bermuda	100%	100%
BW Loyalty Limited		Dormant	Bermuda	100%	100%
BW Green Transport AS		Chartering	Norway	100%	100%
BW Green Carriers AS		Chartering	Norway	100%	100%
BW LPG Pool Pte. Ltd.		Chartering	Singapore	100%	100%
BW LPG Partners Pte Ltd		Shipowning	Singapore	100%	100%
BW LPG AS		Management	Norway	100%	100%
BW LPG Pte Ltd		Management	Singapore	100%	100%
BW Cyan Limited		Shipowning	Bermuda	100%	100%
BW Summit Limited	(a)	Dormant	Bermuda	-	100%
BW Constellation I Pte. Ltd.		Shipowning	Singapore	100%	100%
BW Constellation II Pte. Ltd.		Shipowning	Singapore	100%	100%
BW LPG Investments Limited		Investment holding	Bermuda	100%	100%
BW VLEC Limited	(b)	Dormant	Bermuda	-	100%
BW Okpo Pte. Ltd.		Shipowning	Singapore	100%	100%
BW Seoul Pte. Ltd.		Shipowning	Singapore	100%	100%
BW LPG LLC		Management	United States	100%	100%
Aurora LPG Holding AS		Management	Norway	100%	100%
Aurora Shipping II AS		Shipowning	Norway	100%	100%
(iii) Subsidiary held by BW LPG Product Services Limited					
BW LPG Product Services Pte. Ltd.		Product delivery services	Singapore	100%	100%
(iv) Joint venture held by BW LPG Holding Limited					
BW Global United LPG India Private Limited		Shipowning	India	50%	50%

(a) Companies liquidated during the financial year
(b) Company sold during the financial year

30. New or revised accounting standards and interpretations

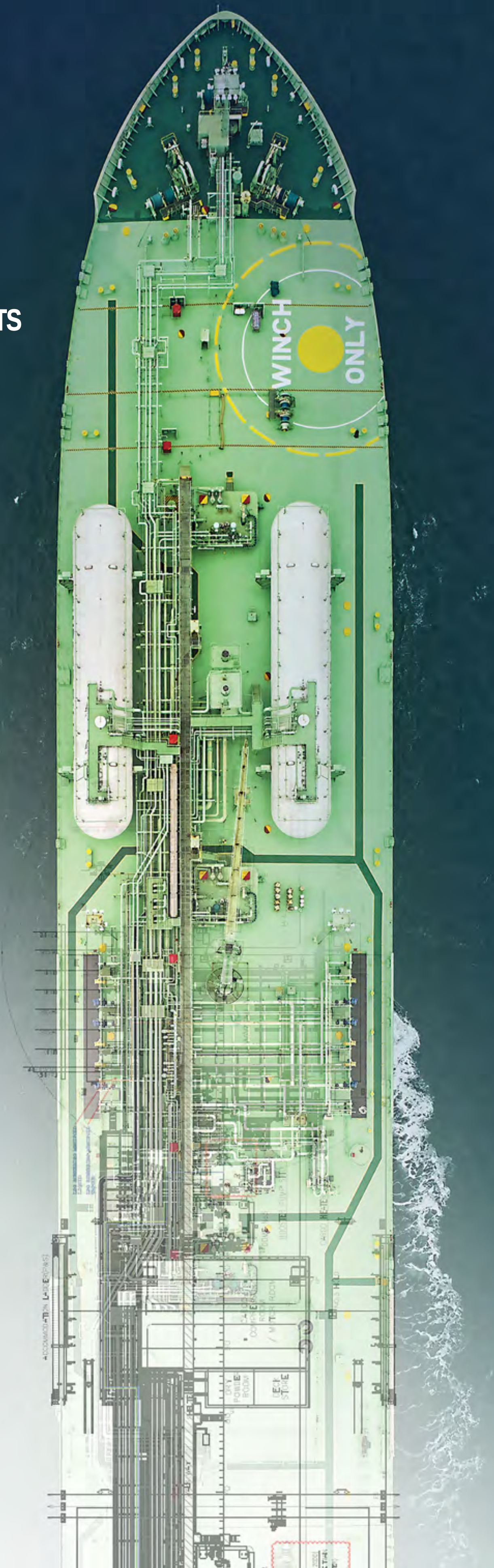
A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted. However, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

BW LPG

PARENT COMPANY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Dividend from a subsidiary		150,000	125,000
Other operating expenses	3	(3,582)	(3,468)
		146,418	121,532
Other finance income		43	308
Profit before tax for the financial year		146,461	121,840
Income tax expense	4	-	-
Profit after tax and total comprehensive income for the financial year		146,461	121,840

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

BW LPG LIMITED
PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET
As at 31 December 2020

	Note	2020 US$'000	2019 US$'000
Subsidiaries	5	1,071,537	1,051,559
Total non-current assets		1,071,537	1,051,559
Other receivables	6	278	170
Cash and cash equivalents		-	-*
Total current assets		278	170
Total assets		1,071,815	1,051,729
Share capital	7	1,419	1,419
Share premium	7	289,812	289,812
Contributed surplus		685,913	685,913
Share-based payment reserve	7	457	230
Retained earnings		93,798	73,951
Total shareholder's equity		1,071,399	1,051,325
Trade and other payables	8	416	404
Total liabilities		416	404
Total equity and liabilities		1,071,815	1,051,729

*Amount less than US$1,000

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

BW LPG LIMITED
PARENT COMPANY FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2020

	Note	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total US$'000
Balance at 1 January 2020		**1,419**	**289,812**	**685,913**	**230**	**73,951**	**1,051,325**
Profit for the financial year		-	-	-	-	146,461	146,461
Total comprehensive income for the financial year		-	-	-	-	146,461	146,461
Share-based payment reserve - Value of employee services	7	-	-	-	227	-	227
Dividends paid	11	-	-	-	-	(126,614)	(126,614)
Total transactions with owners, recognised directly in equity		-	-	-	227	(126,614)	(126,387)
Balance at 31 December 2020		1,419	289,812	685,913	457	93,798	1,071,399

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

STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 December 2020

	Note	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total US$'000
Balance at 1 January 2019		1,419	289,812	685,913	16	11,717	988,877
Profit for the financial year		-	-	-	-	121,840	121,840
Total comprehensive income for the financial year		-	-	-	-	121,840	121,840
Share-based payment reserve - Value of employee services	7	-	-	-	214	-	214
Dividends paid	11	-	-	-	-	(59,606)	(59,606)
Total transactions with owners, recognised directly in equity		-	-	-	214	(59,606)	(59,392)
Balance at 31 December 2019		1,419	289,812	685,913	230	73,951	1,051,325

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2020

	Note	2020 US$'000	2019 US$'000
Cash flows from operating activities			
Profit before tax for the financial year		146,461	121,840
Adjustments for:			
- share-based payment		227	214
- dividend income		(150,000)	(125,000)
Operating cash flow before working capital changes		(3,312)	(2,946)
Changes in working capital:			
- other receivables		(108)	30
- trade and other payables		12	217
Net cash used in operating activities		(3,408)	(2,699)
Cash flow from investing activities			
Dividends received on behalf by a subsidiary		150,000	125,000
Receivables from subsidiaries#		(19,978)	(62,695)
Net cash provided by investing activities		130,022	62,305
Cash flow from financing activity			
Dividends paid on behalf by a subsidiary		(126,614)	(59,606)
Net cash used in financing activity		(126,614)	(59,606)
Net decrease in cash and cash equivalents		-	-*
Cash and cash equivalents at beginning of the financial year		-	-*
Cash and cash equivalents at end of the financial year		-	-

*Amount less than US$1,000
Non-cash advances to a subsidiary

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

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

1. General information

BW LPG Limited (the "Company") is listed on the Oslo Stock Exchange and incorporated and domiciled in Bermuda. The address of its registered office is c/o Inchona Services Limited, 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.

These financial statements were authorised for issue by the Board of Directors of BW LPG Limited on 1 March 2021.

2. Significant accounting policies

(a) Basis of preparation

The 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.

New standards, amendments to published standards and interpretations

The Company has adopted the new standards and amendments to published standards as at 1 January 2019. Changes in the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and amendments.

The adoption of these new or amended standards and amendments did not result in substantial changes in the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Critical accounting estimates, assumptions and judgements

The preparation of the financial statements in conformity with IFRS requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions which have a material effect on the financial statements.

2. Significant accounting policies (continued)

(b) Revenue and income recognition

Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Interest in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Receivables from subsidiaries where settlement is neither planned nor likely in the foreseeable future, are classified as non-current. These receivables are measured at amortised cost subsequent to initial measurement. In assessing an impairment allowance, the Company uses the accounting policy described in note 2(e).

(d) Impairment of non-financial assets

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) 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 the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of this asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) is recognised in profit or loss.

2. Significant accounting policies (continued)

(e) Financial assets

The Company managed these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

The Company assesses on a forward looking basis the ECLs associated with these groups of financial assets.

For other receivables and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

When the asset becomes uncollectible, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period by the amount of ECL reversal that is required to adjust the loss allowance to the amount that is required to be recognised at the reporting date.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

(f) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

(g) Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised costs approximate their fair values due to the short-term nature of the balances.

2. Significant accounting policies (continued)

(h) Provisions for other liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation where 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 a reliable estimate of the amount can be made. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(i) Foreign currency translation

(1) Functional currency

The financial statements of the Company are presented in United States Dollar ("US$"), which is the functional currency.

(2) Transactions 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 the transactions. Foreign currency exchange gains and losses 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.

(j) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against share premium, a component of the share capital account.

(k) Dividend to Company's shareholders

Dividend to Company's shareholders are recognised when the dividend are approved for payment.

3. Expenses by nature

	2020 US$'000	2019 US$'000
Directors' fees	397	427
Share-based payments – equity settled	227	214
Support service fees charged by subsidiaries	2,382	1,557
Other expenses	576	1,270
Total other operating expenses	3,582	3,468

4. Income tax

No provision for tax has been made for the year ended 31 December 2020 and 2019 as the Company does not have any income that is subject to income tax based on the tax legislation applicable to the Company.

There is no income, withholding, capital gains or capital transfer taxes payable in Bermuda.

5. Subsidiaries

	2020 US$'000	2019 US$'000
Equity investments at cost	685,920	685,920
Receivables from subsidiaries	385,617	365,639
	1,071,537	1,051,559

The receivables from subsidiaries are classified as financial assets at amortised cost. Allowance for impairment on these receivables is insignificant. The receivables are unsecured, interest-free and have no fixed terms of repayment. The settlement of these receivables is neither planned nor likely in the foreseeable future. Accordingly, the receivables are classified as non-current.

Details of the subsidiaries held directly by the Company are as follows:

Name of company	Principal activity	Country of incorporation	Equity holding 2020	Equity holding 2019
BW LPG Holding Limited	Investment holding	Bermuda	100%	100%
BW LPG Product Services Limited	Investment holding	Bermuda	100%	100%

6. Other receivables

	2020 US$'000	2019 US$'000
Other receivables – related parties^	106	6
Other receivables – non-related parties	172	164
	278	170

^ Related parties refer to corporations controlled by a shareholder of the Company.

The carrying amounts of other receivables, principally denominated in US$, approximate their fair values due to the short-term nature of these balances.

Other receivables due from related parties are unsecured, interest-free and are repayable on demand.

7. Share capital and other reserves

(a) Issued and fully paid share capital

(i) As at 31 December 2020 and December 2019, the Company's share capital comprised of 141,938,998 fully paid common shares with a par value of US$0.01. Fully paid common shares carry one vote per share and carry a right to dividend as and when declared by the Company.

(iii) The Company operates two equity-settled, share-based compensation plans. The 2015 Long-Term Incentive Plan ("LTIP 2015") was fully vested in 2018 and common shares of 2,197 were issued to certain employees. The LTIP 2015 was replaced by a 2017 Long-Term Incentive Plan ("LTIP 2017"). For LTIP 2017, at the end of the vesting periods between February 2020 and February 2024, common shares of 1,657,424 (2019: 2,260,000) may be issued to certain employees.

(b) Share premium

The difference between the consideration for common shares issued and their par value are recognised as share premium.

7. Share capital and other reserves (continued)

(c) Share-based payment reserve

Certain employees are entitled to receive common shares in the Company. This award is recognised as an expense in the consolidated profit or loss with a corresponding increase in the share-based payment reserve over the vesting periods. For the year ended 31 December 2020, an expense of US$0.23 million (2019: US$0.22 million) was recognised in the consolidated profit or loss with a corresponding increase (2019: increase) recognised in the share-based payment reserve.

8. Trade and other payables

	2020 US$'000	2019 US$'000
Trade payables – related parties^	-	-*
Trade payables – non-related parties	5	22
Other accrued operating expenses	411	382
	416	404

* Amount less than US$1,000
^ Related parties refer to corporations controlled by a shareholder of the Company.

The carrying amounts of trade and other payables, principally denominated in US$, approximate their fair values due to the short-term nature of these balances.

9. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties during the financial year at terms agreed between the parties:

(a) Services

	2020 US$'000	2019 US$'000
Corporate service fees charged by subsidiaries	2,382	1,557

(b) Key management's remuneration

	2020 US$'000	2019 US$'000
Directors' fees	397	427

10. Financial risk management

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Company.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Market risk – Currency risk

The Company's business operations are not exposed to significant foreign exchange risk as it has no significant regular transactions denominated in foreign currencies.

(b) Credit risk

The Company's credit risk is primarily attributable to other receivables and cash and cash equivalents. Bank deposits are not impaired and are mainly deposits with banks with credit-ratings assigned by international credit-rating agencies. Other receivables are neither past due nor impaired. The maximum exposure is represented by the carrying value of each financial asset on the balance sheet.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains sufficient cash for its daily operations via short-term cash deposit at banks and funding from a subsidiary.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date on an undiscounted basis.

	Less than 1 year US$'000
At 31 December 2020	
Trade and other payables	**416**
At 31 December 2019	
Trade and other payables	404

10. Financial risk management (continued)

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend paid, return capital to shareholders, or collect dividend from the subsidiary.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

(e) Financial instruments by category

The aggregate carrying amounts of the Company's financial instruments are as follows:

	2020 US$'000	2019 US$'000
Financial assets at amortised cost	385,895	365,809
Financial liabilities at amortised cost	416	404

11. Dividends paid

	2020 US$'000	2019 US$'000
Final dividend paid in respect of FY 2019 of US$0.42 (2019: in respect of FY 2018 of US$nil) per share	57,201	-
Interim dividend paid in respect of Q1 2020 of US$0.20 (2019: in respect of Q1 2019 of US$nil) per share	28,120	-
Interim dividend paid in respect of Q2 2020 of US$0.15 (2019: in respect of Q2 2019 of US$0.10) per share	20,621	13,862
Interim dividend paid in respect of Q3 2020 of US$0.15 (2019: in respect of Q3 2019 of US$0.33) per share	20,672	45,744
	126,614	59,606

The Board has declared a final cash dividend of US$0.34 per share for 2020, amounting to US$47.0 million. Together with the interim dividend paid for Q1 to Q3 2020 of US$0.50 per share, the total dividend payout for FY 2020 will amount to US$0.84 per share or US$116.4 million. The shares will be traded ex-dividend on and after 4 March 2021. The dividend will be payable on or about 16 March 2021 to shareholders of record as at 5 March 2021.

12. New or revised accounting standards and interpretations

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted. However the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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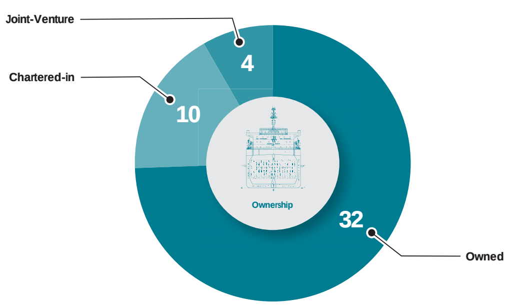
5.3

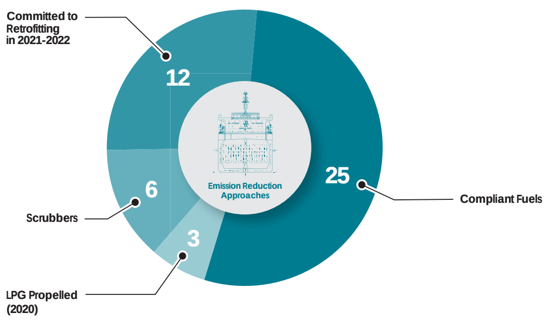
FLEET LIST

In 2020, our fleet comprised 46 vessels, including owned, chartered-in and joint-venture vessels. We committed US$130 million to retrofit 15 of our vessels with pioneering dual-fuel propulsion technology, so that LPG can power our fleet.

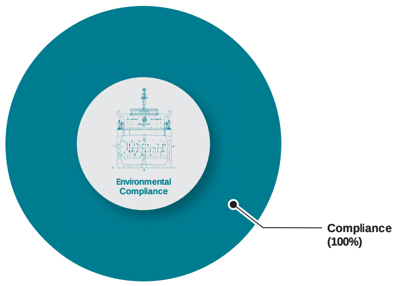
Ownership

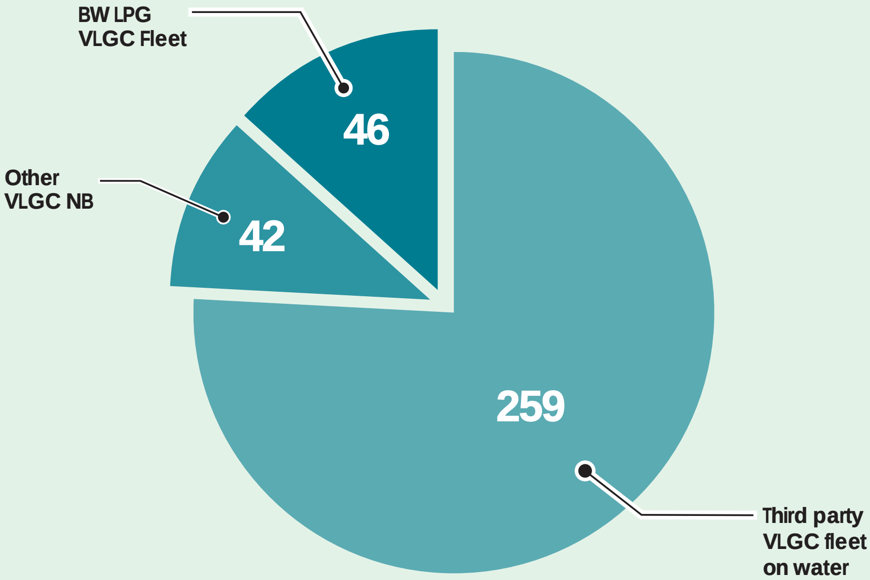


GHG Emission Reduction Approach



Environmental Compliance





#1

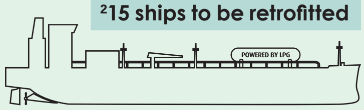
We are the world's largest owner and operator of Very Large Gas Carriers

46

Our fleet of 46 vessel make up 15% of the global VLGC total

MODERN FLEET[1] OF 46 VESSELS BUILT AT LEADING SHIPYARDS

[2]15 ships to be retrofitted



Owned VLGCs (100% Ownership)

Name	Year	Shipyard
BW Mindoro[2]	2017	DSME
BW Malacca[2]	2016	DSME
BW Magellan[2]	2016	DSME
BW Frigg[2]	2016	Hyundai H.I.
BW Freyja[2]	2016	Hyundai H.I.
BW Volans[2]	2016	Hyundai H.I.
BW Brage[2]	2016	Hyundai H.I.
BW Tucana[2]	2016	Hyundai H.I.
BW Var[2]	2016	Hyundai H.I.
BW Njord[2]	2016	Hyundai H.I.
BW Balder[2]	2016	Hyundai H.I.
BW Orion[2]	2015	Hyundai H.I
BW Libra[2]	2015	Hyundai H.I
BW Leo[2]	2015	Hyundai H.I
BW Gemini[2]	2015	Hyundai H.I.
BW Carina	2015	Hyundai H.I.
BW Aries	2014	Hyundai H.I.
BW Pine	2011	Kawasaki S.C.
BW Sakura	2010	Mitsubishi H.I.
BW Odin	2009	Hyundai H.I.
BW Austria	2009	DSME
BW Lord	2008	DSME
BW Thor	2008	Hyundai H.I.
BW Princess	2008	Hyundai H.I.
BW Tyr	2008	Hyundai H.I.
BW Loyalty	2008	DSME
BW Oak	2008	Hyundai H.I.
BW Liberty	2007	DSME
BW Prince	2007	Hyundai H.I.
BW Confidence	2006	Mitsubishi H.I.

Owned VLGCs (100% Ownership) Continued

Name	Year	Shipyard
BW Trader	2006	DSME

Total 31 vessels
(2.6 million CBM and Average Age of 9 years)

Chartered / Bareboat VLGCs

Name	Year	Shipyard	Charter Type
BW Yushi	2020	Mitsubishi H.I.	Time Chartered
BW Kizoku	2019	Mitsubishi H.I.	Time Chartered
Oriental King	2017	Hyundai H.I.	Time Chartered
BW Messina	2017	DSME	Time Chartered
BW Kyoto	2010	Mitsubishi H.I.	Time Chartered
Yuricosmos	2010	Mitsubishi H.I.	Time Chartered
BW Tokyo	2009	Mitsubishi H.I.	Time Chartered
Berge Nantong	2006	Hyundai H.I.	Time Chartered
Berge Ningbo	2006	Hyundai H.I.	Time Chartered
BW Empress	2005	Mitsubishi H.I.	Bareboat

Total 10 vessels
(0.8 million CBM and Average Age of 9 years)

VLGCs in BW Global United LPG India Private Limited

Name	Year	Shipyard	Ownership(%)
BW Birch	2007	Hyundai H.I.	50%
BW Cedar	2007	Hyundai H.I.	50%
BW Elm	2007	Hyundai H.I.	50%
BW Energy	2002	Kawasaki H.I.	50%
BW Boss	2001	Kawasaki H.I.	50%

Total 5 vessels
(0.4 million CBM and Average Age of 16 years)

1 As at 1 March 2021

5.4

GLOSSARY

Term	Definition
'BW LPG Group' or the 'Group'	BW LPG and its subsidaries
'BW LPG' or the 'Company'	BW LPG Limited
Ballast Water Management Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requires vessels to comply with standards and procedures for the management and control of ships' ballast water and sediments
Baltic LPG Index	Baltic Exchange Liquid Petroleum Gas Index - An assessment of the daily spot charter rates of a vessel moving LPG between the Middle East and Japan
Bermuda Companies Act	The Companies Act 1981 (as amended) of Bermuda
BIMCO	Baltic and International Maritime Council - The largest international association representing shipowners
Board of Directors' or the 'Board'	Board of Directors of BW LPG
Bunker fuel	Any fuel used to power a ship's engines
CBM	Cubic meter - A unit of volume of a gas vessel's capacity for carrying gas cargoes
Charter	Hiring of a vessel, or use of its carrying capacity for either (i) a specified period of time (time-charter) or (ii) a specific voyage or set of voyages (voyage charter)
CIF	Cost, Insurance, Freight - Rules covering the carriage of international goods by sea
CoA	Contract of Affreightment - Under a CoA, the shipowner provides capacity to transport a certain amount of cargo within a specified period from one place to a destination designated by the customer. All of the ship's operating, voyage and capital costs are borne by the shipowner. The freight rate is normally agreed on a per cargo tonne basis. The freight rate can be fixed or floating, or a combination of both
Commercial management	Marketing of vessels for business, negotiating and firming carriage of cargo contracts with customers and operating of vessels in accordance with the terms of the charter parties
Dry docking	Placing a vessel out of water alongside a dock for major repairs and surveys usually coinciding with periodical regulatory survey requirements of the vessel
Dual-fuel engine	An engine that is able to run on both gas oil and LNG or LPG
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECA	Emission Control Area - Sea areas in which stricter controls were established to minimise airborne emissions from ships. Until 31 December 2019, the limit for sulphur content of ships' fuel oil was 3.5% for vessels trading outside ECAs. Today, a global cap of 0.5% applies.
EEDI	Energy Efficiency Design Index - An IMO measure designed to ensure the use of more energy efficient equipment and engines
ESG	Environmental, social and governance principles
Flag state	Administration offering vessel registration services and responsible for ensuring implementation of international conventions
G&A	General and administrative expenses
GHG	Greenhouse gases
GRI	Global Reporting Initiative - An international standard for sustainability reporting
HSSEQ	Health, Safety, Security, Environment and Quality
IFRS	International Financial Reporting Standards - An international standard for accounting and financial reporting
IMO	International Maritime Organisation - A United Nations global standard-setting authority for the safety, security and environmental performance of international shipping
IMO 2020	A global regulation effective from 1 January 2020 requiring all ships to burn fuels with less than 0.5% sulphur or use emission abatement technologies
ISM	nternational Safety Management Code - An international standard for the safe management and operation of ships and for pollution prevention
LGC	Large Gas Carrier - Gas carrier of 50,000 - 70,000 CBM

Term	Definition
LNG	Liquified Natural Gas
LPG	Liquefied Petroleum Gas
LTIF	Lost Time Injury Frequency Rate - A ratio of the number of lost time injuries occurring in a workplace per 1 million hours worked. An LTIFR of 7, for example, shows that 7 lost time injuries occur on a jobsite every 1 million hours worked. The formula gives a picture of how safe a workplace is for its workers
MACN	Maritime Anti-Corruption Network - A global business network working towards the vision of a maritime industry free of corruption
MARPOL	International Convention for the Prevention of Pollution from Ships designed to prevent pollution from shipping
MGO	Marine gas oil
MLC	Maritime Labour Convention - An international agreement that sets out minimum requirements for the working conditions for seafarers
Newbuilding	A new vessel under construction
NM	Nautical mile
NOX	Nitrogen oxide
OPEX	Vessel operating expenses, such as manning, insurance, maintenance and repairs
P&I Club	Protection & Indemnity Club - A mutual insurance association providing risk pooling, information and representation for its shipowner members
PM	Particulate matter
Pools	Arrangement under which vessels owned by different owners are contributed into a pool. The manager of the pool markets the vessels as a single, cohesive fleet, operating them under spot contracts, CoAs and time-charters. The income from the vessels included in the pool is distributed to individual owners according to an agreed upon pool point system whereby each vessel receives its share of the pool's earnings according to the vessel's earning potential
Port State Control	Inspection of ships to ensure that the ship and its equipment complies with international conventions
Poseidon Principles	Framework developed by leading ship financiers for integrating climate considerations into lending decisions to promote international shipping's decarbonisation
QI	Qualified Individual - Under the US Oil Pollution Act, all vessels calling in US waters must ensure that a Qualified Individual is available to implement a response plan
Scrubber	Emission abatement technology installed on a ship allowing it to burn high sulphur fuels
SIRE	Ship Inspection Report Programme - A programme for evaluating and rating tanker vessels' technical and safety standards, for use as a reference by oil and gas companies when utilising vessels
SOx	Sulphur dioxide
TCE income	Gross freight less voyage related costs
Technical Management	Daily operation of a vessel, including maintenance, supplies and manning
Time-charter	Under time-charters, vessels are chartered to customers for fixed periods of time at rates that are generally fixed. The charterer pays all voyage costs. The owner of the vessel receives monthly charter payments on a per day basis and is responsible for the payment of all vessel operating expenses (including manning, maintenance, repair and docking) and capital costs of the vessel
Tonne-mile	Unit cargo x distance; i.e. 10 metric tonnes carried 25 miles = 250 tonne miles
TRCF	Total Recordable Case Frequency - The sum of all work-related fatalities and injuries per one million hours worked over the quantity of hours worked
UNSDGs	United Nations' Sustainable Development Goals
Vessel recycling	The sale of a vessel for dismantling and reprocessing the building materials
VLGC	Very Large Gas Carrier - A gas carrier above 70,000 CBM
Voyage charter	Typically a single round trip that is priced on a current or spot market value. The owner of the vessel receives payment derived by multiplying the metric tonnes of cargo loaded on board by the agreed upon freight rate expressed on a per cargo metric tonne basis. The owner is responsible for the payment of all expenses including voyage expenses (including bunker fuel, agency and port costs), operating expenses and capital costs of the vessel
WLPGA	World LPG Association - An international association representing over 250 companies involved in the LPG value chain
YoY	Year on Year

BW LPG

EMPOWERING THE FUTURE

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