BW LPG Limited

Condensed Consolidated
Interim Financial Information
Q1 2016

HIGHLIGHTS – Q1 2016

- Time Charter Equivalent ("TCE") earnings were US$136.8 million in Q1 2016, compared with US$130.6 million in Q1 2015.

- VLGC TCE rates averaged US$38,600/day in Q1 2016, compared with US$41,300/day in Q1 2015.

- LGC TCE rates averaged US$31,400/day in Q1 2016, compared with US$30,900/day in Q1 2015.

- EBITDA of US$88.9 million in Q1 2016 was better than EBITDA of US$80.4 million in Q1 2015, primarily due to increase in fleet size.

- Profit after tax was US$59.9 million in Q1 2016 compared with US$57.3 million in Q1 2015, mainly due to a larger fleet.

- On 15 April 2016, the Group signed a 12-year debt facility of up to US$220.8 million to provide post-delivery financing for four VLGC newbuilds. The debt has an 18-year amortising profile.

- Two VLGC newbuilds from Hyundai Heavy Industries Co., Ltd were delivered on 20 April 2016 and 11 May 2016. With the delivery of these two VLGCs, the Group has a fleet of 41 vessels, comprising 36 VLGCs and five LGCs, plus six VLGC newbuilds.

- On 27 April 2016, the Group concluded a sale and leaseback agreement for its last VLGC newbuild under construction at Daewoo Shipbuilding and Marine Engineering ("DSME"). Concurrently the Group has also agreed to time charter-in two VLGC newbuilds to be constructed at Mitsubishi Heavy Industries ("MHI") with deliveries expected in 2020.

SELECTED KEY FINANCIAL INFORMATION

	(Reviewed) Q1 2016	(Reviewed) Q1 2015	(Decrease)/ Increase
Income Statement	US$ million	US$ million	%
Revenue	**162.6**	168.0	(3.2)
TCE income	**136.8**	130.6	4.7
EBITDA	**88.9**	80.4	10.6
Profit after tax (NPAT)	**59.9**	57.3	4.5
Basic & diluted EPS (US$ per share)	**0.44**	0.43	2.3

Balance Sheet	(Reviewed) 31 March 2016 US$ million	(Audited) 31 December 2015 US$ million
Cash & cash equivalents	72.9	93.8
Total assets	2,062.9	2,109.8
Total liabilities	849.7	939.0

PERFORMANCE REVIEW: Q1 2016

Operating revenue was US$162.6 million in Q1 2016 (US$168.0 million in Q1 2015). TCE income increased to US$136.8 million from US$130.6 million, mainly attributable to the increased fleet size in the VLGC segment and lower bunker costs. These factors resulted in an increase in TCE income of US$5.8 million and US$0.4 million respectively, in the VLGC and LGC segments.

Charter hire expenses decreased to US$18.4 million in Q1 2016 (US$23.9 million in Q1 2015) due to three fewer charter-in vessels. Other operating expenses increased to US$30.2 million in Q1 2016 (US$26.5 million in Q1 2015) mainly attributable to an overall larger fleet size.

EBITDA was US$88.9 million in Q1 2016 (US$80.4 million in Q1 2015), mainly as a result of overall larger fleet size and lower charter hire expenses.

Net finance expense increased to US$5.5 million in Q1 2016 (US$4.3 million in Q1 2015), primarily due to increased bank borrowings arising from the post-delivery financing for VLGC newbuilds in 2015.

The market values of vessels as at 31 March 2016 have remained above the vessels' carrying values, thus no impairment is noted in Q1 2016.

The Group reported a profit after tax of US$59.9 million in Q1 2016 (US$57.3 million in Q1 2015).

BALANCE SHEET

As at 31 March 2016, total assets amounted to US$2,062.9 million (31 December 2015: US$2,109.8 million), of which US$1,874.5 million (31 December 2015: US$1,863.6 million) represented the carrying value of the Group's vessels (including dry docking) and vessels under construction as follows:

	As at 31 March 2016		
	VLGC US$ million	LGC US$ million	Total US$ million
Vessels (including dry docking)	1,544.9	143.0	1,687.9
Vessels under construction	186.6	-	186.6
	1,731.5	143.0	1,874.5

Cash and cash equivalents amounted to US$72.9 million as at 31 March 2016 (31 December 2015: US$93.8 million). Cash flows from operating activities generated a net cash surplus of US$101.6 million in Q1 2016. Together with proceeds from bank borrowings, cash flows from operating activities were principally utilised for instalment payments for newbuilds, repayment of bank borrowings and interest.

As at 31 March 2016, the Group had unpaid capital commitments of US$247.7 million for the construction of six VLGCs.

MARKET

Freight Rates & Global LPG Demand

VLGC rates averaged US$43,500 per day in the first quarter of 2016, or US$44 per ton on the benchmark Ras Tanura–Chiba route. This roughly equates to a 50% year on year decline on both a daily and per ton basis. Freight rates were adversely impacted in the quarter by narrower geographic LPG price spreads, strong fleet growth and increased availability of in-chartered tonnage in the spot market.

Seaborne LPG trade grew by 13% year on year in the first quarter of 2016, led by a 65% increase in Chinese LPG imports and a 25% increase in Korean import volumes. Growth in Chinese and Korean import demand was slightly offset by moderate declines in Japanese and Thai LPG imports.

US seaborne LPG export volumes rose by 48% to approximately 6.5mt in the first quarter of 2016 and accounted for roughly 30% of global LPG trade as propane inventories were drawn down and placed in international markets. Middle Eastern LPG export volumes surpassed the 9mt mark in the first quarter and are thus on pace to experience annualised growth of 4% year on year.

US LPG Production & Consumption

In its April 2016 Short Term Energy Outlook, the EIA left its 2016 US LPG production and consumption growth forecasts largely unchanged at 2.3% and –1.3%, respectively, leaving net export expectations this year at 25mt. The EIA's 2017 forecast now calls for production growth of 3.7%, while domestic LPG consumption is poised to decrease by a further 2.9% next year. In a special hydrocarbon gas liquids supplement released on 16 March 2016, the EIA stated that the main driver of its downward revision to domestic LPG consumption growth was the ability of PDH plants (two online, one entering service in 2017) to 'produce more propylene per barrel of propane feedstock than an ethylene plant', and that it also expects ethylene plants to become more reliant on ethane feedstock.

Less domestic petrochemical consumption of LPG would be positive for VLGC shipping as it would result in a greater surplus of LPG available for export. However, it is still unclear whether this dedicated-feedstock ethylene (five new ethylene plants, two expansions) and propylene production capacity expansion will displace a portion of the olefin production currently coming from flexible-feedstock ethylene crackers (positive for VLGC freight), or whether it will supplement it and the excess olefin production will then be exported (negative for VLGC freight). This development, along with energy prices, will be the key driver of LPG balances in the US going forward.

VLGC Fleet Growth

The VLGC fleet grew by 10% in the first quarter of 2016 as 19 vessels were delivered in the quarter. Only two VLGCs have been ordered year to date, and BW LPG expects new ordering to remain subdued in 2016 due to lower freight rates and tighter credit availability.

Outlook

A sustainable oil price recovery will pave the clearest path to a rebound in VLGC rates to median levels. Energy prices must reach a level that will allow US producers to bring hydrocarbons back online without immediately capping prices, which can only happen when global oil demand and supply shifts from surplus to balance. The correspondent increase in LPG production should then start to re-exert downward pressure on domestic US LPG prices, while naphtha, Far Eastern LPG and olefin prices should trade up alongside oil. Geographic LPG price spreads, the price setting mechanism for VLGC freight in the short term, can then expand and remain sustainably open to support the flow of trade for long enough periods of time to absorb excess shipping capacity and tighten the VLGC market. Concurrently, BW LPG expects continued strong retail demand growth for cooking and heating applications in developing markets.

BW LPG Limited
Condensed Consolidated Interim Financial Information
Q1 2016

Report on review of condensed consolidated interim financial information to the shareholders of BW LPG Limited and its subsidiaries

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of BW LPG Limited (the "Company") and its subsidiaries (the "Group") as at 31 March 2016 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period from 1 January 2016 to 31 March 2016 that are set out on page 7 to 25. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 19 May 2016

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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	(Reviewed) Q1 2016 US$'000	(Reviewed) Q1 2015 US$'000
Revenue		162,581	167,996
Voyage expenses		(25,736)	(37,424)
TCE income#		136,845	130,572
Other operating income		682	253
Charter hire expense		(18,433)	(23,879)
Other operating expenses		(30,172)	(26,522)
Operating profit before depreciation, amortisation and impairment (EBITDA)		88,922	80,424
Amortisation charge	3	(1,228)	(1,228)
Depreciation charge	6	(22,077)	(17,383)
Operating profit (EBIT)		65,617	61,813
Foreign currency exchange loss - net		286	(61)
Interest income		59	23
Interest expense		(5,118)	(2,756)
Derivative loss		(121)	(946)
Other finance expense		(590)	(605)
Finance expense – net		(5,484)	(4,345)
Profit before tax for the financial period		60,133	57,468
Income tax expense		(200)	(200)
Profit after tax for the financial period (NPAT)		59,933	57,268

"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 condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	(Reviewed) Q1 2016 US$'000	(Reviewed) Q1 2015 US$'000
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Available-for-sale financial assets		
- Fair value losses	(9,046)	-
Cash flow hedges		
- Fair value losses	(8,135)	(4,089)
- Reclassification to profit or loss	470	287
Other comprehensive loss, net of tax	(16,711)	(3,802)
Total comprehensive income for the financial period	43,222	53,466
Profit attributable to:		
Equity holders of the Company	59,369	56,906
Non-controlling interests	564	362
	59,933	57,268
Total comprehensive income attributable to:		
Equity holders of the Company	42,658	53,104
Non-controlling interests	564	362
	43,222	53,466
Earnings per share attributable to the equity holders of the Company		
(expressed in US$ per share)		
Basic and diluted earnings per share	0.44	0.43

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

CONSOLIDATED BALANCE SHEET

	Note	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Charter-hire contracts acquired	3	11,243	12,471
Intangible asset		11,243	12,471
Derivative financial instruments	4	-	601
Available-for-sale financial assets	5	22,626	31,580
Vessels	6	1,644,524	1,662,116
Vessels under construction	6	186,565	161,762
Dry docking	6	43,440	39,683
Furniture and fixtures	6	343	373
Total property, plant and equipment		1,874,872	1,863,934
Total non-current assets		1,908,741	1,908,586
Inventories		8,149	9,072
Trade and other receivables		73,123	98,319
Cash and cash equivalents		72,908	93,784
Total current assets		154,180	201,175
Total assets		2,062,921	2,109,761
Share capital	7	1,363	1,363
Share premium		269,103	269,103
Treasury shares	8	(457)	(457)
Contributed surplus		685,913	685,913
Other reserves		(59,833)	(43,130)
Retained earnings		307,607	248,238
		1,203,696	1,161,030
Non-controlling interests		9,526	9,689
Total shareholders' equity		1,213,222	1,170,719
Borrowings	9	672,859	766,937
Deferred income		124	248
Derivative financial instruments	4	7,596	1,207
Total non-current liabilities		680,579	768,392
Borrowings	9	130,868	120,060
Deferred income		496	496
Derivative financial instruments	4	6,074	5,900
Current income tax liabilities		1,022	822
Trade and other payables		30,660	43,372
Total current liabilities		169,120	170,650
Total liabilities		849,699	939,042
Total equity and liabilities		2,062,921	2,109,761

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Reviewed)

	Attributable to equity holders of the Company											
	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserves US$'000	Fair value reserves US$'000	Hedging reserves US$'000	Share-based payment reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2016	1,363	269,103	(457)	685,913	(36,259)	(2,625)	(4,281)	35	248,238	1,161,030	9,689	1,170,719
Profit for the period	-	-	-	-	-	-	-	-	59,369	59,369	564	59,933
Other comprehensive loss for the period	-	-	-	-	-	(9,046)	(7,665)	-	-	(16,711)	-	(16,711)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(9,046)	(7,665)	-	59,369	42,658	564	43,222
Share-based payment reserves - Value of employee services	-	-	-	-	-	-	-	8	-	8	-	8
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(727)	(727)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	8	-	8	(727)	(719)
Balance at 31 March 2016	1,363	269,103	(457)	685,913	(36,259)	(11,671)	(11,946)	43	307,607	1,203,696	9,526	1,213,222

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(Reviewed)

	Attributable to equity holders of the Company										
	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserves US$'000	Hedging reserves US$'000	Share-based payment reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2015	1,363	269,103	(22,445)	685,913	(41,480)	(1,806)	-	180,747	1,071,395	9,559	1,080,954
Profit for the period	-	-	-	-	-	-	-	56,906	56,906	362	57,268
Other comprehensive loss for the period	-	-	-	-	-	(3,802)	-	-	(3,802)	-	(3,802)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(3,802)	-	56,906	53,104	362	53,466
Share-based payment reserves											
- Value of employee services	-	-	-	-	-	-	9	-	9	-	9
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	(813)	(813)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	9	-	9	(813)	(804)
Balance at 31 March 2015	1,363	269,103	(22,445)	685,913	(41,480)	(5,608)	9	237,653	1,124,508	9,108	1,133,616

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(Reviewed)

	Attributable to equity holders of the Company											
	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserves US$'000	Fair value reserves US$'000	Hedging reserves US$'000	Share-based payment reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 April 2015	1,363	269,103	(22,445)	685,913	(41,480)	-	(5,608)	9	237,653	1,124,508	9,108	1,133,616
Profit for the period	-	-	-	-	-	-	-	-	267,061	267,061	1,809	268,870
Other comprehensive (loss)/income for the period	-	-	-	-	-	(2,625)	1,327	-	-	(1,298)	-	(1,298)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(2,625)	1,327	-	267,061	265,763	1,809	267,572
Share-based payment reserves - Value of employee services	-	-	-	-	-	-	-	26	-	26	-	26
Sale of treasury shares	-	-	21,988	-	5,221	-	-	-	-	27,209	-	27,209
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,228)	(1,228)
Dividend paid	-	-	-	-	-	-	-	-	(256,476)	(256,476)	-	(256,476)
Total transactions with owners, recognised directly in equity	-	-	21,988	-	5,221	-	-	26	(256,476)	(229,241)	(1,228)	(230,469)
Balance at 31 December 2015	1,363	269,103	(457)	685,913	(36,259)	(2,625)	(4,281)	35	248,238	1,161,030	9,689	1,170,719

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

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

	(Reviewed) Q1 2016 US$'000	(Reviewed) Q1 2015 US$'000
Cash flows from operating activities		
Profit before tax for the financial period	60,133	57,468
Adjustments for:		
- amortisation charge	1,228	1,228
- amortisation of deferred income	(124)	(125)
- depreciation charge	22,077	17,383
- derivative (gain)/loss	(501)	277
- interest income	(59)	(23)
- interest expense	5,118	2,756
- other finance expense	528	549
- share-based payments	8	9
Operating cash flow before working capital changes	88,408	79,522
Changes in working capital:		
- inventories	923	4,465
- trade and other receivables	25,104	(7,400)
- trade and other payables	(12,804)	(13,788)
Cash generated from operations	101,631	62,799
Tax paid	-	-
Net cash provided by operating activities	101,631	62,799
Cash flow from investing activities		
Purchases of property, plant and equipment	(32,121)	(175,082)
Interest paid (capitalised interest expense)	(566)	(592)
Interest received	59	23
Net cash used in investing activities	(32,628)	(175,651)
Cash flows from financing activities		
Proceeds from bank borrowings	10,000	187,316
Payment of financing fees	(217)	(3,928)
Repayments of bank borrowings	(94,248)	(87,500)
Repayment of finance lease	-	(793)
Interest paid	(4,251)	(2,330)
Finance expense paid	(436)	(260)
Distributions to non-controlling interests	(727)	(813)
Net cash (used in)/provided by financing activities	(89,879)	91,692
Net decrease in cash and cash equivalents	(20,876)	(21,160)
Cash and cash equivalents at beginning of the financial period	93,784	70,245
Cash and cash equivalents at end of the financial period	72,908	49,085

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

1. General information

BW LPG Limited (the "Company") is incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

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

This Condensed Consolidated Interim Financial Information was approved for issue by the Board of Directors of the Company on 19 May 2016.

2. Significant accounting policies

(a) Basis of preparation

The Condensed Consolidated Interim Financial Information for the first quarter ended 31 March 2016 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The Condensed Consolidated Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In the preparation of this set of Condensed Consolidated Interim Financial Information, the same accounting policies have been applied as those used in the preparation of the annual financial statements for the year ended 31 December 2015.

The Group has not early adopted the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's annual accounting periods beginning on 1 January 2017 or later periods. Except for IFRS 16, the Group does not anticipate the adoption of these changes to have a material impact on the Condensed Consolidated Interim Financial Information. IFRS 16 Leases are applicable for annual period commencing 1 January 2019 but may be early adopted. The Group is currently evaluating the impact of adopting IFRS 16.

Critical accounting estimates and assumptions

The preparation of the Condensed Consolidated Interim Financial Information requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Condensed Consolidated Interim Financial Information, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015 except for the estimation of the residual values of the vessels.

The estimated residual values for the vessels were revised as at 1 January 2016. The change in these estimates will increase depreciation expense of vessels from 1 January 2016 onwards. The effect of the change was an increase on depreciation expense of approximately US$0.9 million for Q1 2016.

3. Intangible assets

	Charter-hire contracts acquired US$'000
(Reviewed)	
At 1 January 2016	12,471
Amortisation charge	(1,228)
At 31 March 2016	**11,243**
(Audited)	
At 1 January 2015	17,381
Amortisation charge	(1,228)
At 31 March 2015	16,153
Amortisation charge	(3,682)
At 31 December 2015	12,471

4. Derivative financial instruments

	(Reviewed) 31 March 2016		(Audited) 31 December 2015	
	Assets US$'000	**Liabilities US$'000**	Assets US$'000	Liabilities US$'000
Interest rate swaps	-	(12,067)	601	(4,882)
Bunker swaps	-	(1,603)	-	(2,225)
	-	(13,670)	601	(7,107)

As at 31 March 2016, the Group has interest rate swaps with total notional principal amounting to US$495.4 million, of which US$65.5 million and US$42.4 million will start in July 2016 and October 2016 respectively.

Interest rate swaps are transacted to hedge interest rate risk on bank borrowings. After taking into account the effects of these contracts, for part of the bank borrowings, the Group effectively pays fixed interest rates ranging from 1.48% per annum to 2.2% per annum and receives a variable rate equal to either US$ three-month LIBOR or US$ six-month LIBOR. Hedge accounting is adopted by the Group for these contracts.

Bunker swaps are transacted to hedge bunker price risks. The Group did not adopt hedge accounting for these contracts. Fair value gains/losses of bunkers swaps are presented within 'voyage expenses' in the Condensed Consolidated Interim Statement of Comprehensive Income.

5. Available-for-sale financial assets

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Quoted equity shares		
At cost	**34,297**	34,205
Cumulative fair value losses	**(11,671)**	(2,625)
At fair value	**22,626**	31,580

6. Property, plant and equipment

(Reviewed)	Vessels US$'000	Dry docking US$'000	Vessels under construction US$'000	Furniture and fixtures US$'000	Total US$'000
Cost					
At 1 January 2016	1,967,321	68,521	161,762	620	2,198,224
Additions	602	7,610	24,803	-	33,015
Write-off on completion of dry docking costs	-	(3,204)	-	-	(3,204)
At 31 March 2016	1,967,923	72,927	186,565	620	2,228,035
Accumulated depreciation and impairment charge					
At 1 January 2016	305,205	28,838	-	247	334,290
Depreciation charge	18,194	3,853	-	30	22,077
Write-off on completion of dry docking costs	-	(3,204)	-	-	(3,204)
At 31 March 2016	323,399	29,487	-	277	353,163
Net book value					
At 31 March 2016	1,644,524	43,440	186,565	343	1,874,872

(Audited)	Vessels US$'000	Dry docking US$'000	Vessels under construction US$'000	Furniture and fixtures US$'000	Total US$'000
Cost					
At 1 January 2015	1,523,570	53,223	153,838	620	1,731,251
Additions	71,463	678	103,791	-	175,932
Transfer in/(out)	143,866	4,500	(148,366)	-	-
At 31 March 2015	1,738,899	58,401	109,263	620	1,907,183
Additions	5,225	7,205	282,446	-	294,876
Transfer in/(out)	223,197	6,750	(229,947)	-	-
Write-off on completion of dry docking costs	-	(3,835)	-	-	(3,835)
At 31 December 2015	1,967,321	68,521	161,762	620	2,198,224
Accumulated depreciation and impairment charge					
At 1 January 2015	241,146	17,050	-	123	258,319
Depreciation charge	14,074	3,278	-	31	17,383
At 31 March 2015	255,220	20,328	-	154	275,702
Depreciation charge	49,985	12,345	-	93	62,423
Write-off on completion of dry docking costs	-	(3,835)	-	-	(3,835)
At 31 December 2015	305,205	28,838	-	247	334,290
Net book value					
At 31 March 2015	1,483,679	38,073	109,263	466	1,631,481
At 31 December 2015	1,662,116	39,683	161,762	373	1,863,934

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

(a) Vessels with an aggregate carrying amount of US$1,253.4 million as at 31 March 2016 (31 December 2015: US$1,261.7 million) are secured on borrowings (Note 9).

(b) For the period ended 31 March 2016, interest amounting to US$0.9 million (Q1 2015: US$0.9 million) has been capitalised in vessels under construction. The interest rate used to determine the amount of borrowing costs eligible for capitalisation was 2.0% (Q1 2015: 2.1%) per annum.

7. **Share capital**

As at 31 March 2016, the Company's share capital comprises of 136,291,455 (31 December 2015: 136,291,455) fully paid common shares with a par value of US$0.01 (31 December 2015: US$0.01) per share.

8. **Treasury shares**

	No. of shares '000	Amount US$'000
Balance as at 1 January 2015	3,400	22,445
Sale of shares	(3,331)	(21,988)
Balance as at 31 December 2015 and 31 March 2016	**69**	**457**

9. **Borrowings**

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Non-current		
Bank borrowings	**672,859**	766,937
Current		
Interest payable	**3,521**	2,792
Bank borrowings	**127,347**	117,268
	130,868	120,060
Total borrowings	**803,727**	886,997

Movements in borrowings are analysed as follows:

	US$'000
Balance as at 1 January 2016	**886,997**
Proceeds from bank borrowings	**10,000**
Financing fees	**(217)**
Interest expense	**5,118**
Interest capitalised	**894**
Less: Interest paid	**(4,817)**
Less: Principal repayments of bank borrowings	**(94,248)**
Balance as at 31 March 2016	**803,727**

9. **Borrowings** (continued)

	US$'000
Balance as at 1 January 2015	529,434
Proceeds from bank borrowings	187,316
Financing fees	(3,928)
Interest expense	2,756
Interest capitalised	850
Less: Interest paid	(2,922)
Less: Principal repayments of bank borrowings	(87,500)
Less: Repayment of finance lease	(793)
Balance as at 31 March 2015	625,213
Proceeds from bank borrowings	463,371
Financing fees	(403)
Interest expense	14,088
Interest capitalised	2,636
Less: Interest paid	(14,262)
Less: Principal repayments of bank borrowings	(194,883)
Less: Repayment of finance lease	(8,763)
Balance as at 31 December 2015	886,997

Bank borrowings as at 31 March 2016 of US$743.9 million (2015: US$837.3 million) are secured by mortgages over certain vessels of the Group (Note 6). In addition, the Company has provided corporate guarantees to three groups of lenders for the facilities granted to a subsidiary.

The carrying amounts of current and non-current borrowings approximate their fair values.

10. **Related party transactions**

In addition to the information disclosed elsewhere in the Condensed Consolidated Interim Financial Information, the following transactions took place between the Group and related parties during the financial quarter at terms agreed between the parties:

(a) Services

	(Reviewed) Q1 2016 US$'000	(Reviewed) Q1 2015 US$'000
Support service fees charged by related parties*	1,526	1,053
Ship management fees charged by related parties*	2,064	1,953

10. Related party transactions (continued)

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Trade and other payables		
- Related parties*	(709)	(18)
Other receivables		
- Related parties*	4,700	4,083

* "Related parties" refers to corporations controlled by one of the Company's shareholders.

(b) Key management's remuneration

	(Reviewed) Q1 2016 US$'000	(Reviewed) Q1 2015 US$'000
Salaries and other short term employee benefits	637	460
Post-employment benefits – contributions to defined contribution plans and share-based payment	90	19
Directors' fees	124	124
	851	603

11. Commitments

(a) Capital commitments

The Group had entered into shipbuilding contracts with Hyundai Heavy Industries Co., Ltd ("HHI") for the construction of eight VLGC newbuilds. At the date of this report, all eight vessels have been delivered.

In April 2015, the Group took over existing shipbuilding contracts of a non-related party with Daewoo Shipbuilding and Marine Engineering Co., Ltd ("DSME") for the construction of four VLGC newbuilds. Three vessels are expected to be delivered in the fourth quarter of 2016 while one is expected to be delivered in the first quarter of 2017.

11. **Commitments** (continued)

(a) Capital commitments (continued)

The total cost of the six VLGC newbuilds not yet delivered as of 31 March 2016 amounted to US$426.2 million (31 December 2015: US$424.4 million). As at 31 March 2016, the Group had paid US$178.6 million (31 December 2015: US$156.5 million) in instalments and these payments are capitalised and included in 'vessels under construction'. Capital commitments contracted for these six VLGC newbuilds at the balance sheet date but not recognised as at the balance sheet date are as follows:

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Vessels under construction	247,686	267,921

The Group entered into a new debt facility agreement for an amount of US$220.8 million on 15 April 2016. This facility together with cash flows generated from operating activities will be utilised to fund the instalment payments of the VLGC newbuilds.

(b) Operating lease commitments – where the Group is a lessor

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

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

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Not later than one year	138,871	109,815
Later than one year but not later than five years	136,022	146,578
	274,893	256,393

(c) Operating lease commitments – where the Group is a lessee

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

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

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Not later than one year	68,109	70,161
Later than one year but not later than five years	157,535	166,323
Later than five years	127,118	135,079
	354,762	371,563

12. Financial risk management

The Group's activities expose it to a variety of financial risks; market risks (including currency risk and interest rate risk); credit risk; and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2015. There have been no major changes in any risk management policies or processes and persons managing these policies and processes since the previous year end.

(a) Market risk - 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 4). If USD interest rates increase/decrease by 50 basis points (2015: 50 basis points) with all other variables including tax rate being held constant, the profit after tax in Q1 2016 will be lower/higher by approximately US$0.8 million (Q1 2015: US$0.6 million) as a result of higher/lower interest expense on these borrowings; total comprehensive income for Q1 2016 will be lower/higher by approximately US$7.4 million (Q1 2015: US$6.1 million).

(b) Financial instruments by category

The aggregate carrying amounts of loans and receivables, available-for-sale financial assets, financial derivative instruments and financial liabilities at amortised cost are as follows:

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000
Loans and receivables	137,474	183,015
Available-for-sale financial assets	22,626	31,580
Financial derivative instruments (liabilities) - net	13,670	6,506
Financial liabilities at amortised cost	831,675	917,599

12. Financial risk management (continued)

(c) Fair value measurements

Financial assets and liabilities are measured at fair value and classified by level of the following fair value measurement hierarchy:

(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 (ie as prices) or indirectly (ie 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
(Reviewed)			
31 March 2016			
Assets			
Available-for-sale financial assets	22,626	-	22,626
Total assets	22,626	-	22,626
Liabilities			
Derivative financial instruments	-	13,670	13,670
Total liabilities	-	13,670	13,670
(Audited)			
31 December 2015			
Assets			
Available-for-sale financial assets	31,580	-	31,580
Derivative financial instruments	-	601	601
Total assets	31,580	601	32,181
Liabilities			
Derivative financial instruments	-	7,107	7,107
Total liabilities	-	7,107	7,107

The Group's available-for-sale financial assets fair value is based on quoted market prices at the balance sheet date (Note 5). The quoted market price used for the available-for-sale financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The Group's financial derivative instruments are measured at fair value are within Level 2 of the fair value hierarchy (Note 4). The fair value of financial derivative instruments that are not traded in an active market is determined by using valuation techniques. The fair values of interest rate swaps and bunker swaps are calculated as the present value of estimated future cash flows based on observable yield curves.

13. Segment information

The Group has two main operating segments:

(i) Very Large Gas Carriers (VLGCs); and
(ii) Large Gas Carriers (LGCs)

The operating segments are organised and managed according to the size of the LPG vessels. Management monitors the performance of these operating segments for the purpose of making decisions on resource allocation and performance assessment. This assessment is based on operating profit before depreciation, impairment, amortisation, gain or loss on disposal of property, plant and equipment and gain or loss on disposal of subsidiaries ("EBITDA"). This measurement basis excludes the effects of gain or loss on disposal of property, plant and equipment, impairment charges, and gain or loss on disposal of subsidiaries that are not expected to recur regularly in every financial period. Interest income is not allocated to segments, as financing is determined based on an aggregate investment portfolio rather than by segments. Unallocated items include general expenses that are not attributable to any segments.

The reconciliation of the reports reviewed by Management based on EBITDA to the basis as disclosed in this Condensed Consolidated Interim Financial Information is as follows:

	VLGC	LGC	Total
	US$'000	US$'000	US$'000
(Reviewed)			
Q1 2016			
Revenue	145,406	17,175	162,581
Voyage expenses	(22,870)	(2,866)	(25,736)
TCE income	122,536	14,309	136,845
EBITDA	81,779	10,135	91,914
Finance expense	(8)	(1)	(9)
Depreciation charge	(18,707)	(3,340)	(22,047)
Amortisation charge	(1,228)	-	(1,228)
	61,836	6,794	68,630
Unallocated items			(8,497)
Profit before income tax			60,133
Segment assets as at 31 March 2016	**1,802,860**	**149,814**	**1,952,674**
Segment assets include:			
Additions to:			
- vessels	602	-	602
- vessels under construction	24,803	-	24,803
- dry docking	7,610	-	7,610
Segment liabilities as at 31 March 2016	**816,054**	**2,959**	**819,013**

13. **Segment information** (continued)

	VLGC US$'000	LGC US$'000	Total US$'000
(Reviewed) Q1 2015			
Revenue	152,120	15,876	167,996
Voyage expenses	(35,473)	(1,951)	(37,424)
TCE income	116,647	13,925	130,572
EBITDA	74,376	9,490	83,866
Finance expense	(140)	(1)	(141)
Depreciation charge	(13,962)	(3,390)	(17,352)
Amortisation charge	(1,228)	-	(1,228)
	59,046	6,099	65,145
Unallocated items			(7,677)
Profit before income tax			57,468
Segment assets as at 31 March 2015	1,572,419	160,889	1,733,308
Segment assets include:			
Additions to:			
- vessels	71,463	-	71,463
- vessels under construction	103,791	-	103,791
- dry docking	678	-	678
Segment liabilities as at 31 March 2015	643,593	3,057	646,650

Reportable segments' assets

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the Condensed Consolidated Interim Financial Information. For the purposes of monitoring segment performance and allocating resources between segments, Management monitors vessels, dry docking, charter-hire contracts acquired, inventories, trade and other receivables, and intangible assets that can be directly attributable to each segment.

	(Reviewed) 31 March 2016 US$'000	(Audited) 31 December 2015 US$'000	(Audited) 31 March 2015 US$'000
Segment assets	**1,952,674**	1,966,944	1,733,308
Unallocated items:			
Cash and cash equivalents	**72,908**	93,784	49,085
Derivative financial instruments	**-**	601	258
Available-for-sale financial assets	**22,626**	31,580	-
Other receivables	**14,370**	16,479	19,599
Property, plant and equipment	**343**	373	466
Total assets	**2,062,921**	2,109,761	1,802,716

13. Segment information (continued)

Reportable segments' liabilities

The amounts reported to Management with respect to total liabilities are measured in a manner consistent with that of the Condensed Consolidated Interim Financial Information. These liabilities are allocated based on the operations of the segments. Borrowings and certain trade and other payables are allocated to the reportable segments. All other liabilities are reported as unallocated items.

	31 March 2016 US$'000	31 December 2015 US$'000	31 March 2015 US$'000
Segment liabilities	819,013	902,232	646,650
Unallocated items:			
Derivative financial instruments	13,670	7,107	6,143
Other payables	15,994	28,881	15,433
Current income tax liabilities	1,022	822	874
Total liabilities	849,699	939,042	669,100

Geographical information

Non-current assets comprise mainly vessels and related capitalised dry docking expenses, and operate 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.

14. Subsequent events

(a) On 15 April 2016, the Group signed a 12-year debt facility of up to US$220.8 million to provide post-delivery financing for four VLGC newbuilds. The debt has an 18-year amortising profile.

(b) Two VLGC newbuilds from Hyundai Heavy Industries Co., Ltd were delivered on 20 April 2016 and 11 May 2016.

(c) On 27 April 2016, the Group concluded a sale and leaseback agreement for its last VLGC newbuild under construction at Daewoo Shipbuilding and Marine Engineering ("DSME"). Concurrently the Group has also agreed to time charter-in two VLGC newbuilds to be constructed at Mitsubishi Heavy Industries with deliveries expected in 2020.