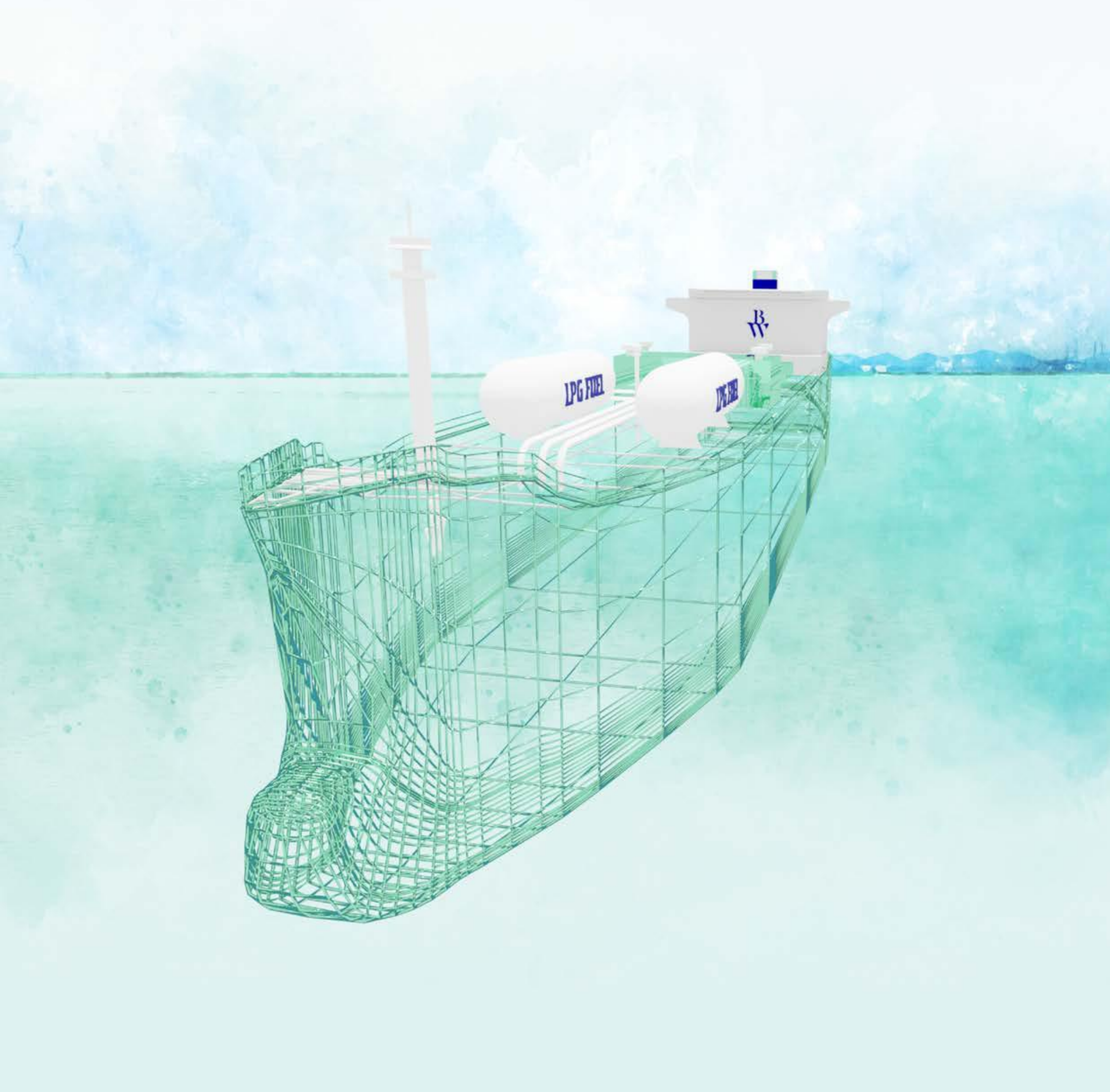
BW LPG Limited

Condensed Consolidated
Interim Financial Information
Q4 2019 and FY 2019



FINANCIAL SUMMARY

SELECTED KEY FINANCIAL INFORMATION

Income Statement	Q4 2019 US$ million	Q4 2018 US$ million	Increase/ (Decrease) %	FY 2019 US$ million	FY 2018 US$ million	Increase/ (Decrease) %
Revenue	260.8	154.3	69	817.2	521.8	57
TCE income	191.6	84.6	126	547.3	300.9	82
EBITDA	154.1	35.7	332	398.8	104.1	283
Profit/(Loss) after tax	153.8	(34.1)	N.M	273.9	(72.4)	N.M
(US$ per share)						
Basic and diluted EPS	1.11	(0.24)	N.M	1.97	(0.51)	N.M
Dividend per share	0.42	-	N.M	0.85	-	N.M
Balance Sheet				**31 December 2019 US$ million**	**31 December 2018 US$ million**	**Increase/ (Decrease) %**
Cash & cash equivalents				112.2	50.1	124
Total assets				2,549.4	2,259.9	13
Total liabilities				1,372.0	1,276.3	7
Financial ratios	**Q4 2019 %**	**Q4 2018 %**	**Increase/ (Decrease) %**	**31 December 2019 %**	**31 December 2018 %**	**Increase/ (Decrease) %**
ROE[1] (annualised)	54.9	(13.6)	N.M	25.3	(7.0)	N.M
ROCE[1] (annualised)	27.4	(4.0)	N.M	13.9	(1.1)	N.M
EBITDA margin[2]	80.4	42.1	91	72.9	34.6	111
Leverage ratio[3]	52.1	55.5	(6)	52.1	55.5	(6)

[1] ROE (return on equity) and ROCE (return on capital employed) is computed based on the average equity and capital employed at the end and beginning of the period.
[2] EBITDA margin is computed as EBITDA over TCE income.
[3] Leverage ratio is computed as total debt over total debt plus equity.

"N.M" denotes not meaningful.

HIGHLIGHTS – Q4 2019

- VLGC TCE rates averaged US$50,600/day in Q4 2019 (YTD 2019: US$35,000/day) compared with US$21,300/day in Q4 2018 (FY 2018: US$18,400/day).

- Write-back of vessel impairment charge of US$38.0 million.

- Leverage ratio decreased further to 52.1% from 54.7% in Q3 2019.

- Two LGCs were sold in Q4 2019 - one delivered in December 2019 and another with expected delivery in March 2020.

- In February 2020, BW LPG exercised options for the delivery and retrofitting of eight additional dual-fuel LPG propulsion engines. With this, BW LPG has committed to retrofit 12 vessels with pioneering propulsion technology.

- On 13 February 2020, a time chartered-in VLGC newbuild was delivered.

- On 20 February 2020, a supplemental agreement was signed to amend the existing US$458 million Senior Secured Facility to convert US$100 million of Term Loan to Revolving Credit Facility while other terms remain the same. This will provide BW LPG with greater financial flexibility.

- The Board has declared a final cash dividend of US$0.42 per share for 2019, amounting to US$58.2 million. Together with the interim dividend paid for H1 2019 and Q3 2019 of US$0.10 per share and US$0.33 per share, respectively, the total dividend payout for FY 2019 will amount to US$0.85 per share or US$117.8 million. The shares will be traded ex-dividend from 04 March 2020. The dividend will be payable on or about 13 March 2020 to shareholders of record as at 05 March 2020.

PERFORMANCE REVIEW – Q4 2019 AND FY 2019

Operating revenue was US$260.8 million in Q4 2019 (Q4 2018: US$154.3 million) and US$817.2 million in FY 2019 (FY 2018: US$521.8 million). Time Charter Equivalent ("TCE") income increased to US$191.6 million in Q4 2019 and US$547.3 million in FY 2019, mainly attributable to higher LPG spot rates and higher fleet utilisation.

BW LPG adopted IFRS 16 'Leases' on 1 January 2019 which resulted in the capitalisation of the lease components of all charter-in contracts as right-of-use assets with their corresponding lease liabilities, except for one contract with less than 12 months remaining in lease term which continues to be presented as charter hire expenses. The net impact of adopting IFRS 16 'Leases' was an increase of US$7.6 million and US$31.8 million on EBITDA for Q4 2019 and FY 2019, respectively and a decrease in profit of US$1.6 million for Q4 2019 and a net increase in profit of US$5.8 million for FY 2019. See Note 2(e)(ii).

EBITDA increased to US$154.1 million and US$398.8 million for Q4 2019 and FY 2019, respectively, primarily due to higher TCE income.

Profit after tax was US$153.8 million for Q4 2019 (Q4 2018: loss after tax of US$34.1 million) and US$273.9 million for FY 2019 (FY 2018: loss after tax of US$72.4 million).

BALANCE SHEET

As at 31 December 2019, BW LPG had a fleet of 45 vessels, comprising 44 VLGCs and one LGC. In addition, there are two VLGCs owned and operated by a joint venture and one time charter-in VLGC newbuild that is under construction. Total assets amounted to US$2,549.4 million (31 December 2018: US$2,259.9 million), of which US$1,903.6 million (31 December 2018: US$2,006.1 million) represented the carrying value of the vessels (including dry docking) and US$165.0 million (31 December 2018: US$nil) represented the carrying value of the right-of-use assets (vessels).

Cash and cash equivalents amounted to US$112.2 million as at 31 December 2019 (31 December 2018: US$50.1 million). Cash flows from operating activities generated a net cash surplus of US$322.2 million in FY 2019 (FY 2018: net cash surplus of US$89.3 million). The cash flows from operating activities were principally utilised for repayments of bank borrowings, interest payments and dividend payments.

MARKET – Q4 2019

Freight Rates

VLGC freight rates remained strong in the fourth quarter, supported by U.S. LPG exports and high geographical LPG price spread between the U.S. and the Far East. The price spread averaged at $177 per ton, an implied arbitrage for freight and product traders of $130 per ton, after U.S. spot terminal fees, equivalent to TCE of about $70,000 per day.

LPG Exports

In the fourth quarter, Middle Eastern waterborne LPG exports were down by 8.4% year over year to 8.7 million tons. Exports from Saudi Arabia fell significantly by 18.1% year over year, following the drone attacks on Saudi Aramco's processing facilities at Abqaiq and Khurais on 24 September 2019.

The decrease in Middle Eastern volumes were more than offset by the growth in North American exports. In Q4, North American exports grew to 10.9 million tons, up 26.4% year over year.

In 2019, global waterborne LPG trade reached 107.5 million tons, up 13.0% from 2018. This was driven by the U.S. waterborne LPG exports growing to 40.2 million tons, up 22.8% from 2018.

LPG Imports

In the fourth quarter, the increasing LPG export volumes were absorbed by South Korea, India and Japan. Imports to China remained stable. South Korean and Indian imports increased significantly in Q4, up 38.1% to 2.2 million tons and 10.1% to 3.7 million tons, respectively.

In 2019, imports to Far East increased by 9.9% to 40.7 million tons, showing the highest growth in import volumes. Southeast Asian imports showed the highest growth rate, up 21.4% from 2018 to 10.1 million tons. In 2019, over 38% of the global LPG waterborne trade went to the Far East.

Global Fleet Supply

In the fourth quarter, four VLGC newbuilds were delivered and none were recycled, representing a 6.4% growth in the number of vessels year over year. The global VLGC newbuild orderbook ended the year with 44 vessels, equivalent to 15.6% of the total VLGC fleet of 282 vessels. 21 vessels are expected to be delivered in 2020 with 17 vessels to be delivered in the first half of 2020. 17 vessels have been ordered for delivery in 2021 and six vessels in 2022.

Over 25 vessels will be above 27 years old by the end of 2020. However, at current freight rate levels, these recycling candidates could very well remain in the market.

Outlook

For 2020, we continue to have a positive freight outlook, supported by sustained U.S LPG exports despite a high number of newbuild deliveries in the first half of the year. So far, in Q1 2020, we have seen limited impact from the COVID-19 outbreak on LPG freight rates. However, the unpredictable development of this outbreak has increased uncertainty with potential near-term impact on LPG imports into China and longer-term impact on LPG production following the decline in oil and gas prices.

We expect the scheduled terminal expansions by Enterprise and Targa in the latter half of 2020, combined with an increasingly likely easing of the U.S.-China trade war, to support strong U.S. export growth.

We see little potential for growth in Middle Eastern exports in 2020 due to the uncertainties on whether OPEC+ production cuts will be extended, and heightened political tensions in the region.

For the longer term, we maintain our view that sustained U.S. LPG production growth and no further newbuild orders remain key to a balanced VLGC market.

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

Board of Directors
BW LPG Limited

Introduction

We have reviewed the accompanying consolidated balance sheet of BW LPG Limited ("the Company") and its subsidiaries ("the Group") as at 31 December 2019, the consolidated statements of comprehensive income and cash flows for the three-month and 12-month periods then ended, the consolidated statement of changes in equity for 12–month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). 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 (ISRE) 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 31 December 2019 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 February 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Revenue	3	260,805	154,255	817,204	521,754
Voyage expenses		(69,252)	(69,631)	(269,930)	(220,858)
TCE income^		191,553	84,624	547,274	300,896
Net gain from commodity contracts		479	-	1,198	-
Vessel operating expenses		(28,857)	(24,876)	(109,602)	(105,461)
General and administrative expenses		(7,925)	(7,311)	(26,852)	(27,511)
Charter hire expenses		(2,180)	(16,777)	(14,208)	(66,874)
Finance lease income		1,171	-	1,171	-
Other operating (expenses)/income - net		(182)	-	(193)	3,039
Operating profit before depreciation, amortisation and impairment (EBITDA)		154,059	35,660	398,788	104,089
Depreciation charge		(30,891)	(24,604)	(126,273)	(98,022)
Amortisation charge		-	-	-	(2,650)
		123,168	11,056	272,515	3,417
Gain on derecognition of right-of-use assets	2(e)(ii)	-	-	10,394	-
Gain on disposal of assets held-for-sale		5,167	-	6,950	5,727
Write-back of impairment charge/(impairment charge) on vessels		37,995	(33,500)	37,995	(33,500)
Operating profit/(loss) (EBIT)		166,330	(22,444)	327,854	(24,356)
Foreign currency exchange gain/(loss) - net		188	293	(676)	(110)
Interest income		1,101	1,437	5,349	5,419
Interest expense		(13,216)	(13,135)	(57,609)	(50,405)
Derivative (loss)/gain		(4)	(18)	(187)	53
Other finance expense		(348)	(337)	(1,517)	(1,949)
Finance expense – net		(12,279)	(11,760)	(54,640)	(46,992)
Share of profit/(loss) of a joint venture		1,249	-	3,025	(864)
Profit/(Loss) before tax for the financial period/year		155,300	(34,204)	276,239	(72,212)
Income tax expense		(1,528)	74	(2,343)	(178)
Profit/(Loss) after tax for the financial period/year (NPAT)		153,772	(34,130)	273,896	(72,390)

^ "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 information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss:				
Cash flow hedges				
- fair value gain/(loss)	5,069	(10,320)	(17,165)	4,262
- reclassification to profit or loss	207	(766)	(1,351)	(1,140)
Currency translation reserve	(8)	-	(30)	(51)
Other comprehensive income/(loss), net of tax	5,268	(11,086)	(18,546)	3,071
Total comprehensive income/(loss) for the financial period/year	159,040	(45,216)	255,350	(69,319)
Profit/(Loss) attributable to:				
Equity holders of the Company	153,735	(33,957)	273,840	(71,400)
Non-controlling interests	37	(173)	56	(990)
	153,772	(34,130)	273,896	(72,390)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	159,003	(45,043)	255,294	(68,329)
Non-controlling interests	37	(173)	56	(990)
	159,040	(45,216)	255,350	(69,319)
Earnings/(Loss) per share attributable to the equity holders of the Company:				
(expressed in US$ per share)				
Basic and diluted earnings/(loss) per share	1.11	(0.24)	1.97	(0.51)

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

CONSOLIDATED BALANCE SHEET

	Note	31 December 2019 US$'000	31 December 2018 US$'000
Intangible assets		1,004	-
Derivative financial instruments	4	723	6,580
Loan receivables from a joint venture	5	52,550	58,150
Finance lease receivables	6	35,326	-
Investment in a joint venture		2,861	-
Total other non-current assets		91,460	64,730
Property, plant and equipment	7	2,068,912	2,006,368
Total non-current assets		2,161,376	2,071,098
Inventories		40,682	28,015
Trade and other receivables		166,372	96,756
Derivative financial instruments	4	14,080	3,769
Loan receivables from a joint venture	5	5,645	5,408
Finance lease receivables	6	22,266	-
Assets held-for-sale		26,725	4,823
Cash and cash equivalents	8	112,210	50,075
Total current assets		387,980	188,846
Total assets		2,549,356	2,259,944
Share capital		1,419	1,419
Share premium		289,812	289,812
Treasury shares	9	(14,432)	(12,700)
Contributed surplus		685,913	685,913
Other reserves		(45,688)	(27,356)
Retained earnings		260,289	46,055
		1,177,313	983,143
Non-controlling interests		-	482
Total shareholders' equity		1,177,313	983,625
Borrowings	10	923,177	1,101,343
Lease liabilities	10	167,654	-
Derivative financial instruments	4	10,516	527
Provision for onerous contracts		-	1,100
Other provisions		697	230
Total non-current liabilities		1,102,044	1,103,200
Borrowings	10	140,863	133,353
Lease liabilities	10	50,241	-
Derivative financial instruments	4	18,131	839
Current income tax liabilities		1,560	309
Trade and other payables		59,204	38,618
Total current liabilities		269,999	173,119
Total liabilities		1,372,043	1,276,319
Total equity and liabilities		2,549,356	2,259,944

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the Company											
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'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		-	-	(1,732)	-	-	-	-	-	-	(1,732)	-	(1,732)
Dividends paid	14	-	-	-	-	-	-	-	-	(59,606)	(59,606)	-	(59,606)
Distributions to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(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 condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

		Attributable to equity holders of the Company											
		Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Note	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2018		1,419	289,812	(1,565)	685,913	(36,259)	5,792	182	24	124,938	1,070,256	3,292	1,073,548
Adjustment on initial application of IFRS 15		-	-	-	-	-	-	-	-	(7,483)	(7,483)	-	(7,483)
Restated balance at 1 January 2018		1,419	289,812	(1,565)	685,913	(36,259)	5,792	182	24	117,455	1,062,773	3,292	1,066,065
Loss for the financial year		-	-	-	-	-	-	-	-	(71,400)	(71,400)	(990)	(72,390)
Other comprehensive income/(loss) for the financial year		-	-	-	-	-	3,122	-	(51)	-	3,071	-	3,071
Total comprehensive income/(loss) for the financial year		-	-	-	-	-	3,122	-	(51)	(71,400)	(68,329)	(990)	(69,319)
Share-based payment reserve - Value of employee services		-	-	-	-	-	-	(151)	-	-	(151)	-	(151)
Reissue of treasury shares		-	-	15	-	-	-	(15)	-	-	-	-	-
Purchases of treasury shares		-	-	(11,150)	-	-	-	-	-	-	(11,150)	-	(11,150)
Distributions to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(1,820)	(1,820)
Total transactions with owners, recognised directly in equity		-	-	(11,135)	-	-	-	(166)	-	-	(11,301)	(1,820)	(13,121)
Balance at 31 December 2018		1,419	289,812	(12,700)	685,913	(36,259)	8,914	16	(27)	46,055	983,143	482	983,625

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Cash flows from operating activities					
Profit/(Loss) before tax for the financial period/year		155,300	(34,204)	276,239	(72,212)
Adjustments for:					
- amortisation charge		-	-	-	2,650
- depreciation charge		30,891	24,604	126,273	98,022
- (write-back) of impairment charge/impairment charge on vessels		(37,995)	33,500	(37,995)	33,500
- derivative (gain)/loss		-	(64)	-	25
- gain on disposal of assets held-for-sale		(5,167)	-	(6,950)	(5,727)
- interest income		(1,101)	(1,437)	(5,349)	(5,419)
- interest expense		13,216	13,135	57,609	50,405
- other finance expense		258	361	1,267	1,677
- share-based payments		119	3	214	(151)
- share of (profit)/loss of a joint venture		(1,249)	-	(3,025)	864
- finance lease income		(1,171)	-	(1,171)	-
- gain on derecognition of right-of-use assets		-	-	(10,394)	-
		153,101	35,898	396,718	103,634
Changes in:					
- inventories		(16,812)	4,481	(12,667)	(8,591)
- trade and other receivables		(11,874)	(7,638)	(69,480)	(5,987)
- trade and other payables		9,182	(3,370)	19,704	(378)
- provision for onerous contracts		-	(4,200)	-	1,100
- derivative financial instruments		8,796	-	7,678	-
- margin account held with broker	8	(17,305)	-	(18,685)	-
Cash generated from operations		125,088	25,171	323,268	89,778
Tax (paid)/refund		(703)	258	(1,092)	(451)
Net cash provided by operating activities		124,385	25,429	322,176	89,327
Cash flows from investing activities					
Purchases of property, plant and equipment		-	(1,798)	(10,097)	(11,766)
Proceeds from sale of assets held-for-sale		32,483	-	39,089	113,648
Loans to a joint venture		-	-	-	(33,000)
Repayment of loan receivables from a joint venture		2,300	600	5,350	1,500
Repayment of finance lease		5,429	-	9,624	-
Interest received		2,263	1,421	6,533	5,362
Net cash provided by investing activities		42,475	223	50,499	75,744

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Note	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Cash flows from financing activities					
Proceeds from bank borrowings		-	25,000	358,500	265,000
Payment of financing fees		-	-	(4,576)	(1,727)
Repayments of bank borrowings		(80,104)	(32,505)	(560,326)	(372,816)
Payment of lease liabilities		(10,815)	-	(34,450)	-
Interest paid		(16,149)	(13,764)	(56,519)	(47,302)
Other finance expense paid		(602)	(374)	(3,282)	(1,729)
Purchases of treasury shares		-	-	(1,732)	(11,150)
Drawdown of trust receipts		72,948	-	114,318	-
Repayment of trust receipts		(39,644)	-	(81,014)	-
Distributions to non-controlling interests		-	-	(538)	(1,820)
Dividend payment		(45,744)	-	(59,606)	-
Net cash used in financing activities		(120,110)	(21,643)	(329,225)	(171,544)
Net increase/(decrease) in cash and cash equivalents		46,750	4,009	43,450	(6,473)
Cash and cash equivalents at beginning of the financial period/year	8	46,775	46,066	50,075	56,548
Cash and cash equivalents at end of the financial period/year	8	93,525	50,075	93,525	50,075

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 listed on the Oslo Stock Exchange and incorporated and domiciled in Bermuda. The address of its registered office is 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.

This Condensed Consolidated Interim Financial Information was authorised for issue by the Board of Directors of the Company on 28 February 2020.

2. Significant accounting policies

Basis of preparation

The Condensed Consolidated Interim Financial Information for the three-month and 12-month ended 31 December 2019 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The Condensed Consolidated Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All interim balances and transactions during the three-month period ended 31 December 2019 ("Q4 2019") and the three-month period ended 31 December 2018 ("Q4 2018") were reviewed. The balances as at and transactions for the year ended 31 December 2018 ("FY 2018") were audited.

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 2019.

IFRS 16 'Leases' – adopted from 1 January 2019

The Group has adopted IFRS 16 from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. The disclosure requirements in IFRS 16 have not generally been applied to comparative information.

2. Significant accounting policies (continued)

Basis of preparation (continued)

IFRS 16 'Leases' (continued)

(a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. As a result, it applied IFRS 16 only to contracts that were previously identified as leases under IAS 17 and IFRIC 4. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(b) As a lessee

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

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

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.

The lease liability is subsequently increased by the interest costs on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2. **Significant accounting policies** (continued)

Basis of preparation (continued)

IFRS 16 'Leases' (continued)

(b) As a lessee (continued)

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

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 and presented within "other vessel operating expenses".

Transition

Previously, the Group classified time charter-in vessels as operating leases under IAS 17. The lease terms range up to 15 years. Some leases include renewal options after the end of the non-cancellable periods. Some leases provide for additional lease payments that are based on changes in certain indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term. Lease payments associated with these leases shall be recognised as an expense on a straight-line basis over the lease term;

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and

- Relied on its assessment of whether leases are onerous applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' immediately before 1 January 2019 as an alternative to performing an impairment review. As a result, the right-of-use asset was adjusted by the amount of provision for onerous leases recognised in the consolidated balance sheet immediately before 1 January 2019.

2. **Significant accounting policies** (continued)

Basis of preparation (continued)

IFRS 16 'Leases' (continued)

(c) As a lessor

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

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 in which it acts as a lessor.

(d) As an intermediate lessor

The accounting policy applicable to the Group as a lessor in the comparative period were the same under IFRS 16 except when the Group is 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". The right-of-use asset relating to the head lease is not derecognised.

(e) Impact on financial statements

(i) Impact on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

	As at 1 January 2019 US$'000
	Increase/(Decrease)
Right-of-use assets presented in property, plant and equipment	173,195
Lease liabilities	174,295
Provision for onerous contracts	(1,100)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate as at 1 January 2019. The weighted-average rate applied is 4%.

2. **Significant accounting policies** (continued)

Basis of preparation (continued)

IFRS 16 'Leases' (continued)

(e) Impact on financial statements (continued)

(i) Impact on transition (continued)

	As at 1 January 2019 US$'000
Operating lease commitment as at 31 December 2018 as disclosed in the Group's consolidated financial statement	400,945
Less:	
- Leases with commencement date after 1 January 2019	(129,079)
- Recognition exemption for leases with less than 12 months of lease term at transition	(11,148)
- Consideration allocated to non-lease components	(65,099)
	195,619
Discounted using the incremental borrowing rate as at 1 January 2019	(21,324)
Lease liabilities recognised at 1 January 2019	174,295

(ii) Impact for the period

In Q3 2019, back-to-back time charter contracts were entered into and 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.

The adoption of IFRS 16 resulted in the recognition of right-of-use assets of US$165.0 million (note 7), finance lease receivables of US$57.6 million (note 6) and lease liabilities of US$217.9 million (note 10) as at 31 December 2019.

The impact on profit or loss is summarised below.

	Q4 2019 US$'000	FY 2019 US$'000
Decrease in time charter revenue	(8,030)	(14,069)
Decrease in charter hire expenses	16,950	54,413
Increase in other operating expenses (non-lease components)	(2,272)	(9,744)
Interest income (from finance lease receivable)	963	1,171
EBITDA	7,611	31,771
Gain on derecognition of right-of-use assets	-	10,394
Depreciation of right-of-use assets	(7,029)	(29,737)
Interest expense (from lease liabilities)	(2,225)	(6,603)
Profit after tax	(1,643)	5,825

2. Significant accounting policies (continued)

Basis of preparation (continued)

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.

Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest rate benchmark reform*

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed as at 1 January 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in other comprehensive income that existed at 1 January 2019. The related disclosures about risks and hedge accounting are disclosed in note 4 and note 12.

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 Interbank Offered Rates ("IBOR") reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and 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. To determine whether the designated forecast transaction is no longer 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 the interest rate benchmark reform.

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.

Critical accounting estimates, assumptions and judgements

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 expenses. Actual results may differ from these estimates.

In preparing this Condensed Consolidated Interim Financial Information, the 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 2019.

3. Revenue

Charter revenue is disaggregated as follows:

	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Revenue				
- voyage charter	243,522	132,506	737,264	419,186
- time charter	17,283	21,749	79,940	102,568
	260,805	154,255	817,204	521,754

4. Derivative financial instruments

	31 December 2019		31 December 2018	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Interest rate swaps	723	(10,628)	10,334	(1,366)
Forward freight agreements and related bunker swaps	3,742	(1,674)	-	-
Commodity contracts and derivatives	10,298	(16,345)	-	-
Forward foreign exchange contracts	40	-	15	-
	14,803	(28,647)	10,349	(1,366)
Non-current	723	(10,516)	6,580	(527)
Current	14,080	(18,131)	3,769	(839)
	14,803	(28,647)	10,349	(1,366)

As at 31 December 2019, the Group has interest rate swaps with total notional principal amounting to US$656.2 million (2018: US$789.1 million). The Group's interest rate swaps mature between 2020 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.

5. Loan receivables from a joint venture

The loan receivables from a joint venture are secured by two VLGCs, bearing interest at LIBOR plus 4.5% per annum and are repayable by 2027 in consecutive quarterly instalments with a bullet payment upon maturity.

6. Finance lease receivables

In Q3 2019, back-to-back time charter contracts were entered into and the subleases were accounted for as finance leases under IFRS 16. The adoption of IFRS 16 resulted in the recognition of net investment in the subleases as finance lease receivables of US$57.6 million as at 31 December 2019.

7. 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
At 31 December 2019					
Cost	2,363,978	81,469	546	191,115	2,637,108
Accumulated depreciation and impairment charge	(487,735)	(54,090)	(285)	(26,086)	(568,196)
Net book value	1,876,243	27,379	261	165,029	2,068,912

	Vessels US$'000	Dry docking US$'000	Furniture and fixtures US$'000	Total US$'000
At 31 December 2018				
Cost	2,457,956	86,068	423	2,544,447
Accumulated depreciation and impairment charge	(495,544)	(42,384)	(151)	(538,079)
Net book value	1,962,412	43,684	272	2,006,368

(a) Vessels with an aggregate carrying amount of US$1,897.0 million as at 31 December 2019 (31 December 2018: US$1,995.8 million) are secured on borrowings (note 10).

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

(c) In FY 2019, the Group wrote-back an impairment charge amounting to US$38.0 million (FY 2018: an impairment charge of US$33.5 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.

8. Cash and cash equivalents

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

	31 December 2019 US$'000	31 December 2018 US$'000
Cash and cash equivalents per consolidated balance sheet	112,210	50,075
Less: Margin account held with broker	(18,685)	-
Cash and cash equivalents per consolidated statement of cash flows	93,525	50,075

9. Treasury shares

Pursuant to the Company's Long-term Management Share Option Plan ("LTIP 2017") announced on 21 April 2017, 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). In 2018, pursuant to the same LTIP 2017 plan, the second tranche of 284,000 shares was purchased on 5 March 2018 at US$4.70 (NOK36.20) per share for an aggregate consideration of US$1.3 million (NOK10.3 million).

Pursuant to the Company's share buy-back programme announced on 6 March 2018, a total of 2,122,000 shares was purchased at an average price of US$4.65 (NOK36.00) per share for an aggregate consideration of US$9.9 million (NOK76.4 million) for the year ended 31 December 2018.

10. Borrowings and lease liabilities

	31 December 2019 US$'000	31 December 2018 US$'000
Borrowings		
Bank borrowings	1,026,321	1,228,986
Trust receipts	33,304	-
Interest payable	4,415	5,710
	1,064,040	1,234,696
Borrowings		
Non-current	923,177	1,101,343
Current	140,863	133,353
	1,064,040	1,234,696
Lease liabilities		
Non-current	167,654	-
Current	50,241	-
	217,895	-

10. **Borrowings and lease liabilities** (continued)

Movements in borrowings and lease liabilities are analysed as follows:

	Borrowings US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2019	1,234,696	-	**1,234,696**
Adoption of IFRS 16 (note 2)	-	174,295	**174,295**
At 1 January 2019 (adjusted)	1,234,696	174,295	**1,408,991**
Proceeds from bank borrowings	358,500	-	**358,500**
Drawdown of trust receipts	114,318	-	**114,318**
Payment of financing fees	(4,576)	-	**(4,576)**
Interest expense	51,006	6,603	**57,609**
Lease liabilities	-	78,050	**78,050**
Less: Interest paid	(48,564)	(6,603)	**(55,167)**
Less: Principal repayment	(641,340)	(34,450)	**(675,790)**
At 31 December 2019	1,064,040	217,895	**1,281,935**

	Borrowings US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2018	1,341,136	-	1,341,136
Proceeds from bank borrowings	265,000	-	265,000
Payment of financing fees	(1,727)	-	(1,727)
Interest expense	50,405	-	50,405
Less: Interest paid	(47,302)	-	(47,302)
Less: Principal repayments	(372,816)	-	(372,816)
At 31 December 2018	1,234,696	-	1,234,696

As at 31 December 2019, bank borrowings amounting to US$1,030.7 million (31 December 2018: US$1,234.7 million) are secured by mortgages over certain vessels of the Group (note 7). 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.

11. 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 period at terms agreed between the parties:

(a) Services

	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Corporate service fees charged by related parties*	1,618	939	6,073	4,696
Ship management fees charged by related parties*	583	1,519	2,584	7,221
Corporate service fees charged to related parties*	124	-	304	-

	31 December 2019 US$'000	31 December 2018 US$'000
Other receivables - related parties*	4,081	7,159
Other payables - related parties*	(536)	-

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

(b) Key management's remuneration

	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Salaries and other short-term employee benefits	1,204	680	2,934	2,195
Post-employment benefits - contributions to defined contribution plans and share-based payment	121	6	226	24
Directors' fees	109	118	427	475
	1,434	804	3,587	2,694

(c) Others

	Q4 2019 US$'000	Q4 2018 US$'000	FY 2019 US$'000	FY 2018 US$'000
Interest income from a joint venture	1,094	1,210	4,690	4,683
Sale of a vessel to a joint venture	-	-	-	33,000

12. Financial risk management

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 2019. 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) Financial instruments by category

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

	31 December 2019 US$'000	31 December 2018 US$'000
Net derivative (liabilities)/assets measured at fair value	(13,844)	8,983
Financial assets at amortised cost	263,561	200,970
Financial liabilities at amortised cost	1,115,755	1,271,489

(b) 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).

Derivative financial assets and liabilities

The Group's financial derivative instruments primarily relate to interest rate swaps, bunker swaps and commodity contracts 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 bunker swaps and commodity contracts measured at fair value are determined using quoted 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.

12. Financial risk management (continued)

(c) Market risk – interest rate risk

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

The Group is in the process of establishing policies for amending the interbank offered rates ("IBOR") on its existing floating-rate loan portfolio indexed to IBORs that will be replaced as part of IBOR reform. The Group expects to participate in bilateral negotiations with the counterparties to begin amending the contractual terms of its existing floating-rate financial instruments in the second half of 2020. However, the exact timing will vary depending on the extent to which standardised language can be applied and the extent of bilateral negotiations between the Group and its counterparties. The Group expects that these contractual changes will be amended in a uniform way.

The Group holds derivatives for risk management purposes, some of which are designated in hedging relationships. These derivatives have floating legs that are indexed to various IBORs. The Group's derivative instruments are governed by ISDA's 2002 definitions. ISDA is currently reviewing its definitions in light of IBOR reform and the Group expects it to issue standardised amendments to all impacted derivative contracts at a future date. No derivative instruments have been modified as at the reporting date.

13. Segment information

The Group has three main operating segments:
(i) Very Large Gas Carriers (VLGCs);
(ii) Large Gas Carriers (LGCs); and
(iii) Product Services

The Group's shipping activities are predominantly generated from the VLGC fleet with the reduction in the LGC fleet size as well as Management's continued primary focus on the VLGC segment. The last two LGCs were sold in Q4 2019, with one delivered in December 2019 and another expected to be delivered in Q1 2020.

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.

Both the LGC and Product Services segments represent less than ten percent of the Group's total assets, revenue and profit or loss. The Group has determined that these segments are not material to the Group for the period ended 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.

14. Dividends paid

	31 December 2019 US$'000	31 December 2018 US$'000
Interim dividend paid in respect of H1 2019 of US$0.10 (2018: in respect of H1 2018 of US$nil) per share	13,862	-
Interim dividend paid in respect of Q3 2019 of US$0.33 (2018: in respect of Q3 2018 of US$nil) per share	45,744	-
	59,606	-

The Board has declared a final cash dividend of US$0.42 per share for 2019, amounting to US$58.2 million. Together with the interim dividend paid for H1 2019 and Q3 2019 of US$0.10 per share and US$0.33 per share, respectively, the total dividend payout for FY 2019 will amount to US$0.85 per share or US$117.8 million. The shares will be traded ex-dividend from 04 March 2020. The dividend will be payable on or about 13 March 2020 to shareholders of record as at 05 March 2020.

15. Subsequent events

Subsequent to the year end, the Group revised the useful life of its vessels from 30 years to 25 years given recent developments in market conditions arising from new regulatory requirements. This change will be prospective, effective 1 January 2020 and will increase depreciation charge by approximately US$23 million for FY2020.

In February 2020, the Group exercised options for the delivery and retrofitting of eight additional dual-fuel LPG propulsion engines. With this, the Group has committed to retrofit 12 vessels with pioneering propulsion technology.

On 13 February 2020, a time chartered-in VLGC newbuild was delivered.

On 20 February 2020, a supplemental agreement was signed to amend the existing US$458 million Senior Secured Facility to convert US$100 million of Term Loan to Revolving Credit Facility while other terms remain the same. This will provide the Group with greater financial flexibility.

The last LGC committed to be sold is expected to be delivered in March 2020. The sale is expected to generate US$15.4 million in liquidity and a net gain of US$5.0 million.