BW LPG Integrated Annual Report 2023

Energy for a Changing World

BW LPG

We deliver cleaner burning energy to power a more sustainable future

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01 Introduction

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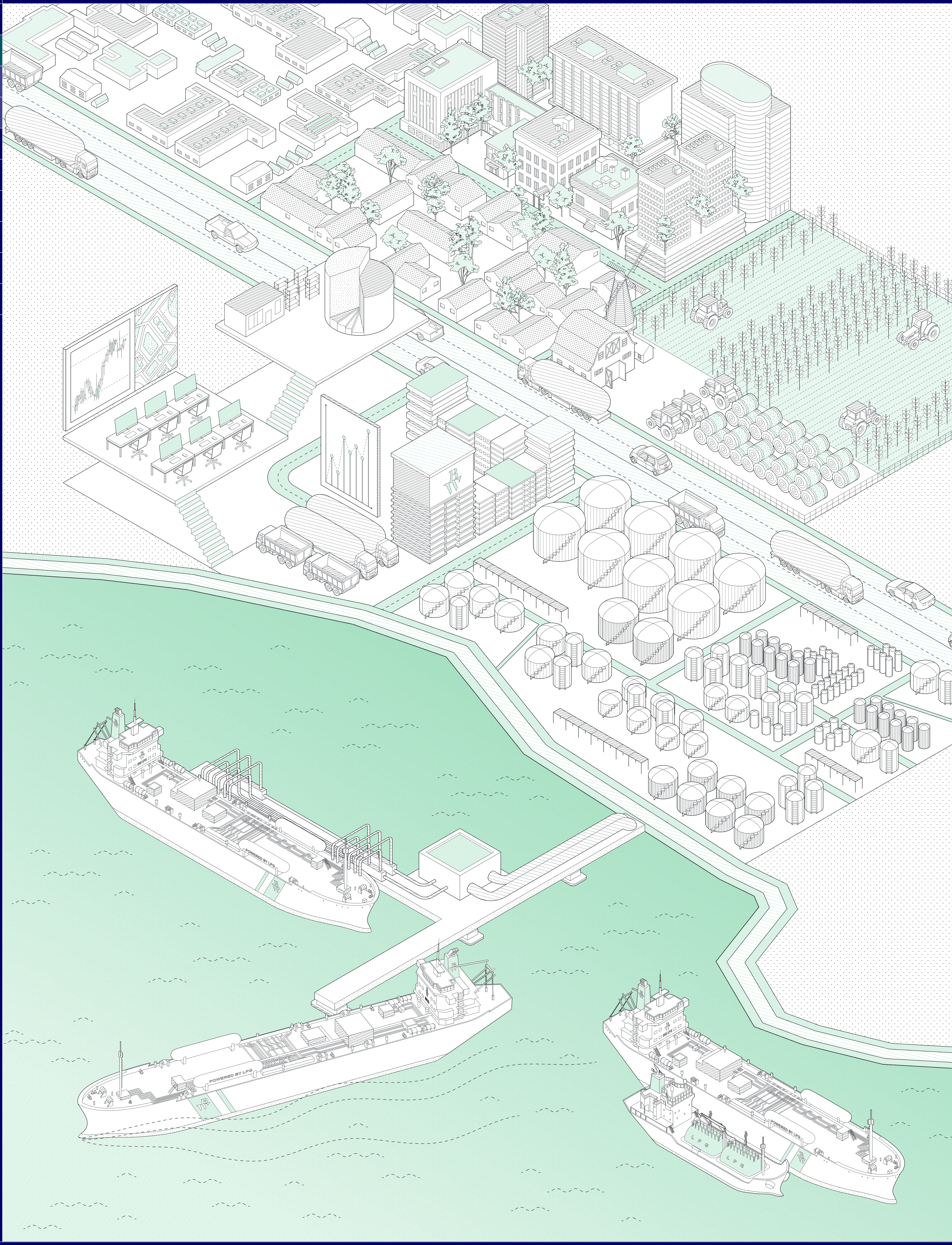

About This Report

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Purpose, Scope and Period

Through this report, we hold ourselves to transparent reporting standards and share how we conduct sustainable business operations. The scope of this report includes offices which manage our most significant operations, namely those based in Singapore, Norway and Spain. Disclosures relating to vessel information include vessels owned and operated by BW LPG and our subsidiaries (BW LPG India and BW Product Services).

Use of This Report

Our 2023 reporting approach reflects our business strategy and sustainability priorities in the short to long term. Additional details, past disclosures and descriptions of our policies and management systems can be found on our website via the links contained in this report. This report should be read in conjunction with the disclosures on our *website*.

Reporting Alignment

This report is broadly aligned with the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework and in accordance to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. It includes reference to the United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Publication Date

This report is published on 27 March 2024. A copy of this report and supplementary documents can be found on our *website*.

Feedback

BW LPG welcomes any questions or feedback on this report and can be reached at *investor.relations@bwlpg.com* or *esg@bwlpg.com*.

Glossary

For a list of common terms used in this report, visit our *website*.

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Energy for a Changing World

LPG as a cleaner-burning fuel has a role to play in the just, orderly, and equitable transition of global energy systems. BW LPG is well-positioned to uplift communities and capture market opportunities.

The theme of this year's report, "Energy for a Changing World", reflects the essence of our commitment to navigate the challenges and opportunities from a rapidly transforming global energy landscape. The decarbonisation momentum in shipping remains strong — from biofuels and green ammonia ventures, to ammonia and methanol propelled vessels, they signal that shipping companies are translating words into action.

The direction is clear, even if the pace is not. The role of LPG should be considered within a broader strategy that includes the adoption of renewable energy technologies, energy efficiency measures, and a transition to low-carbon and zero-emission fuel alternatives.

Transforming global energy systems, especially in fast-developing economies, can be challenging. In alignment with the decisions made at the 28th Conference of the Parties (COP28) which recognises that transitional fuels can play a role in facilitating a just, orderly, and equitable energy transition, LPG as a cleaner burning fuel can help ensure energy security as communities accelerate climate action and mitigation measures.

BW LPG is well-positioned to ensure that the energy needs of the present are met as we find solutions for tomorrow. Our presence across the LPG value chain, encompassing trading, shipping, and shore terminal infrastructure, allows us to create value for shareholders and stakeholders.

What does it mean to deliver energy for a changing world? At BW LPG, it means taking concrete steps to reduce our environmental emissions, accelerating our R&D into new propulsion and ship technology, and ensuring we have a corporate strategy that is in tune with the shifting energy landscape. And most of all, it means building a sustainable and profitable business that will endure.

Very Large Gas Carrier BW Leo crosses the Panama Canal.

02 Highlights

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Year in Numbers

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At BW LPG, we aim to be Best on Water with Cleaner Energy. Over the year, we made important strides to expand our presence along the LPG value chain.

Fleet and Assets

As of February 2024

44 VLGCs

Powered by LPG
17

17
Dual-fuel Propulsion Technology

13
Retrofitted with Scrubber Technology

14
On Compliant Fuels

2 MGCs

1*
LPG Terminal *Planned

Stock Performance

Announced Intention to Work Towards

Dual-listing in US

August 2023

NYSE

Listed on the Oslo Børs

10
Years

Market Capitalisation

(As of 29 Dec 2023)
US$2.1 B ↑
US$1.1 B in 2022 (As of 30 Dec 2022)

Dividend Payments

19
Consecutive Quarters

Profit After Tax

US$493 M ↑
US$239 M in 2022

Return on Equity

31 % ↑
16% in 2022

Dividend per Share

US$3.46 ↑
US$1.28 in 2022

Sustainability

Scope 1 GHG Emissions (Whole Fleet)

6 % ↓
From 2019 Baseline

Carbon Intensity Index (Owned and India Fleet)

6.5 gCO_2 / tonne-nautical mile ↓
7.2 CII 2023 Target

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Year in Numbers

People

Crew and Onshore Employees
>1,500
Employees

Diversity
17
Nationalities

LTIF
0.16
≤0.5 Target (2023)

Shipping

Fleet Utilisation
96 % ↑
93% in 2022

Cost Savings From Using LPG as Fuel
US$11 M ↑
US$8 M in 2022

CO_{2e} Emissions Reduction (On LPG Dual-fueled Vessels)
28,800 MT ↑
27,000 MT in 2022

Total Cargoes Carried (Owned and India Fleet)
13.9 M MT ↑
11.7 M MT in 2022

TCE Income
US$797 M
US$568 M in 2022

Spot Exposure
66 %
63% in 2022

Spot TCE / Day
US$73.6 K
US$46.4 K in 2022

TCE / Calendar Day
US$61.6 K
US$40.6 K in 2022

Trading

Physical LPG Handled
3.4 M MT ↑
1 M MT in 2022

Total Vessels Chartered
41 ↑
26 in 2022

Infrastructure

Investment in LPG Import Terminal
US$10 M
Announced in 2023

Investment in Downstream Energy Player
US$30 M
Announced in 2023

03 We are BW LPG

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CEO's Message

Kristian Sørensen
Chief Executive Officer

It has been 10 years since we listed on the Oslo Stock Exchange. Our business has grown and adapted to evolving market conditions.

BW LPG was listed on the Oslo Stock Exchange in November 2013. In the ten years since then, we have developed the company from a pure-play LPG shipping company to include trading and infrastructure solutions along the value chain. These achievements were years in the making, and reflect our approach to business as a long-term industry player in the LPG sector.

After ten successful years on the Oslo Stock Exchange, we are now setting sail towards New York and have started the process to dual list BW LPG on the New York Stock Exchange. This will expand our investor base and improve our visibility in the US capital markets.

In 2023 and early 2024, we managed a number of smooth changes in leadership. We thank Martha Bakkevig, Anders Onarheim, Elaine Ong and Niels Rigault for their contributions. We welcome Luc Gillet and Sanjiv Misra to the board, Kristian Sørensen as CEO, and Samantha Xu as CFO. A special thanks to Anders, who joined BW LPG as a member of the board in 2013 and led as CEO from 2019 – 2023. The strategic decisions made during Anders' tenure continue to ensure the Company's market-leading position.

To be a sustainable and enduring business, we must be a profitable one, and one which also looks after the interests of our partners and customers. As this year's report will show, the Company navigated market volatility well. Despite global uncertainties, we successfully maintained high standards of safety, reliability, and environmental stewardship.

The global energy landscape is changing, and we are adapting to new market dynamics. Renewables and alternative clean fuels must take hold in a significant way if we are to succeed; and to succeed, consumers, industry and government must collaborate. In shipping, we will continue to find ways to reach net zero carbon emissions by 2050.

Our teams are working hard to realise our strategy and ambitions. On the commercial front, we are prepared to capture opportunities from what will likely be another volatile year for the LPG segment. On the operational front, we continue to work towards compliance with current and upcoming environmental regulations. Building on our ESG learnings so far, we will improve our corporate reporting approach to manage ESG issues and prepare for future disclosure requirements. And on the people front, we continue our focus on Zero Harm and embracing diversity. We are confident that we will continue to reach new milestones together.

Organisational Structure

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Our organisation is structured to support execution of our strategy. We live our values at work; empower employees to take ownership of the business; and insist on Zero Harm to our team members, the environment, cargo and vessels.

Vision	Purpose	Values
Best on Water with Cleaner Energy	Delivering Energy for a Better World	Collaborative, Ambitious, Reliable, Enduring

BW LPG

Kristian Sørensen — CEO and Interim Head of Commercial

- Finance / Investor Relations — Samantha Xu, CFO
- Operations — Prodyut Banerjee, VP
- Technical — Knut-Helge Knutsen, VP
- Corporate Development — Iver Baatvik, VP

Subsidiaries

- BW LPG India
- BW Product Services
- BW LPG Infrastructure

Joint Venture

- BW Confidence

Supporting Centres

- India (Mumbai) Crewing Office
- Philippines (Manila) Crewing Office

Leadership

Board

Andreas Sohmen-Pao →
Chairman of the Board

Andrew E. Wolff →
Non-Executive Director

Anne Grethe Dalane →
Non-Executive Director

Luc Gillet →
Non-Executive Director

Sanjiv Misra →
Non-Executive Director

Sonali Chandmal →
Non-Executive Director

Leadership

Andreas Sohmen-Pao
Chairman of the Board

Year of Appointment: 2013 Age: 52
Board Attendance: 100%

Andreas Sohmen-Pao is Chairman of the Company and BW Group, BW Offshore, Hafnia, BW Epic Kosan, BW Energy and Cadeler. He is also Chairman of the Global Centre for Maritime Decarbonisation and a trustee of the Lloyd's Register Foundation. Mr. Sohmen-Pao was previously Chairman of the Singapore Maritime Foundation and has served as a non-executive director of The Hongkong and Shanghai Banking Corporation Ltd, London P&I Club, Esplanade Co Ltd, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore amongst others. Mr. Sohmen-Pao graduated from Oxford University in England with an honours degree in Oriental Studies and holds an MBA from Harvard Business School.

Andrew E. Wolff
Non-Executive Director

Year of Appointment: 2020 Age: 54
Board Attendance: 100%

Andrew E. Wolff has served on the Board of Directors since 20 May 2020 as an independent director. He was most recently Global Co-Head of the Merchant Banking Division ("MBD"), Head of MBD International and Global Co-Head of Private Equity for Goldman Sachs. He was the Co-Chief Investment Officer of the flagship Merchant Banking private equity funds. Mr. Wolff was a member of the European Management Committee, Corporate Investment Committee, Infrastructure Investment Committee, and Co-Chairman of the Growth Equity Investment Committee. Mr. Wolff joined Goldman Sachs in 1998 in the Principal Investment Area and was named Managing Director in 2005 and Partner in 2006. He has experience investing across global markets and has served on the boards of companies in the United States, Canada, Argentina, Brazil, Japan, China, Korea, the United Kingdom, France, Norway and Denmark. Mr. Wolff earned a BA in Philosophy from Yale University in 1991 and a JD and MBA from Harvard Law School and Harvard Business School, respectively, in 1998.

Leadership

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Anne Grethe Dalane
Non-Executive Director

Year of Appointment: 2013 Age: 63
Board Attendance: 100%

Anne Grethe Dalane has served on the Board of Directors since 21 November 2013 as an independent director. She is the Chair of the Audit Committee. Ms. Dalane held various senior management positions at Yara, Norsk Hydro in the areas of human resources, corporate strategy and finance. Her board experience includes Arendal Fossekompani, Hafslund, EDB Business Partners, Prosafe and Petroleum Geo Services. Ms. Dalane is a certified financial analyst and holds an MBA from the Norwegian School of Economics.

Luc Gillet
Non-Executive Director

Year of Appointment: 2023 Age: 65
Board Attendance: 100%

Luc Gillet has served on the Board of Directors since 15 May 2023 as an independent director. Mr. Gillet started his career in 1982 with ETPM and joined Bureau Veritas in 1983 where he held various management positions. Mr. Gillet joined TotalEnergies in 2003, he was named Senior Vice President Shipping in 2008 and served until 2022. Mr. Gillet currently serves as an independent director of GTT and Orion Global Transport France (OGTF). Mr. Gillet is a graduated engineer from École Nationale des Techniques avancées (1980) and holds an EMBA from HEC (1991).

Leadership

Sanjiv Misra
Non-Executive Director

Year of Appointment: 2024 Age: 64
Board Attendance: 100%

Sanjiv Misra has served on the Board of Directors since 14 February 2024. He is Chairman of Clifford Capital Holdings and Bayfront Infrastructure Management Pte Ltd, and is a Non-Executive Director of Partners Capital Group and Singapore Symphonia Company Pte Ltd. He is also Chairman of the Asia Pacific Advisory Board for Apollo Global Management and President of Phoenix Advisers Pte Ltd. Mr. Misra began his investment banking career with Goldman Sachs & Co in 1986. In 1997, he joined Citigroup, where he served as the Head of the Asia Pacific Corporate Bank, CEO of Global Corporate and Investment Banking Group (Singapore and Brunei), and Country Officer for Singapore. He was also the Citigroup Head of Asia Pacific Investment Banking, and Head of Equity Capital Markets for Asia-Pacific. Mr. Misra was previously an independent director at Olam International, EDBI, OUE Hospitality REIT Management, Edelweiss Financial Services Ltd, and the National University Health System, amongst others. He was a board member and trustee of the Singapore Management University. Mr. Misra holds a Bachelor of Arts in Economics from Delhi University, a Post-Graduate Diploma in Management from the Indian Institute of Management, and a Master of Management from Kellogg School of Management at Northwestern University.

Sonali Chandmal
Non-Executive Director

Year of Appointment: 2020 Age: 55
Board Attendance: 100%

Sonali Chandmal has served on the Board of Directors since 20 May 2020 as an independent director. She is currently a partner at A Lamot Incobel & Co, an advisory firm sourcing, structuring and funding private equity opportunities and funds in Europe, India and America. Ms. Chandmal currently serves on the board of directors and remuneration committee of Ageas SA/NV, the board of directors and remuneration committee chair of Ageas Portugal Grupo and the board of directors, audit and sustainability committees of Medicover AB, and the board of directors of Ackermans & van Haaren SA/NV. She is also on the board of directors of the Harvard Club of Belgium and Chapter Zero Brussels. From 1997 to 2017, she worked at Bain & Company, a leading global strategy and management consulting firm, at its offices in San Francisco, London and Brussels. Prior to that, Ms. Chandmal worked at Robertson Stephens & Company, an investment bank specialising in high technology IPOs and M&A. Ms. Chandmal holds a BA in Economics from the University of California at Berkeley, and an MBA from the Harvard University Graduate School of Business Administration.

Leadership

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Executive Management

Kristian Sørensen
Chief Executive Officer and
Interim Head of Commercial

Samantha Xu
Chief Financial Officer

Prodyut Banerjee
Vice President and
Head of Operations

Knut-Helge Knutsen
Vice President and
Head of Technical

Iver Baatvik
Vice President and Head
of Corporate Development

Leadership

Kristian Sørensen
Chief Executive Officer and Interim Head of Commercial

Age: 47

Kristian Sørensen has over 20 years of experience in the LPG shipping industry where he has held several commercial and management positions. He started his career as a shipbroker in Lorentzen & Stemoco in 2002 before joining Inge Steensland AS (today Steem1960) in 2004 as a broker and later partner and Head of Gas department. From 2010-2013, he was responsible for expanding and heading its Singapore office. In 2016 he became CEO of Norwegian broking house Fearnleys, and also served as Deputy Group CEO for the Astrup Fearnley Group until 2021, when he joined Avance Gas as CEO. Kristian joined BW LPG as Deputy CEO and Head of Strategy in September 2022. Kristian spent two years in the Royal Norwegian Navy as a graduate of the Junior Naval Academy and holds a "Siviløkonom" degree from the Norwegian School of Economics (NHH).

Samantha Xu
Chief Financial Officer

Age: 43

Samantha Xu has more than 20 years of international finance experience in the shipping and energy sectors. Samantha started her career with A. P. Moller-Maersk Group as management trainee, and worked in its headquarters in Copenhagen, Denmark as financial controller upon graduation. She led the Odfjell Pool expansion in Dubai before joining J. Lauritzen Singapore as its CFO in 2012. In 2019, she joined Royal Vopak, a leading independent terminal company, as its Finance Director managing their terminal portfolio in Asia and the Middle East. Her career primarily focuses on board governance, risk management, project investment and M&A. Ms. Xu holds a Global Executive MBA and a Corporate Governance Certificate from INSEAD, and an Accredited Senior Director of Singapore Institute of Directors.

Leadership

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Prodyut Banerjee
Vice President and Head of Operations

Age: 61

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

Knut-Helge Knutsen
Vice President and Head of Technical

Age: 54

Knut-Helge Knutsen has held global leadership positions in the maritime and shipping industry for the past 20 years. Before joining BW in 2013, he was Regional Manager at Veritas Petroleum Services for six years, and was with DNV for 11 years where he led various technical departments related to ship building in Norway and South Korea. Mr. Knutsen currently also holds the role as Managing Director for BW LPG Fleet Management AS, is a member of Lloyds Nordic Committee and DNV Nordic Safety Committee. He has a Master's degree in Marine Engineering from the Norwegian University of Science and Technology and Global Business Leadership qualifications from the IMD Business School in Switzerland.

Iver Baatvik
Vice President and Head of Corporate Development

Age: 41

Iver Baatvik has 10 years of investment banking background before joining BW LPG in 2018 working within the finance and commercial department. Mr. Baatvik holds a Master's Degree in Economics from the University of Oslo and a Bachelor's degree in Business and Administration from Pacific Lutheran University in Tacoma, Washington.

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Fleet and Asset List

44 VLGCs

Powered by LPG 17

17	13	14
Dual-fuel Propulsion Technology	Retrofitted with Scrubber Technology	On Compliant Fuels

2 MGCs

1* LPG Terminal *Planned

19 BW LPG — 100% Ownership

Name	Year Built	Shipyard
BW Messina	2017	DSME
BW Mindoro	2017	DSME
BW Malacca	2016	DSME
BW Magellan	2016	DSME
BW Frigg	2016	Hyundai H.I.
BW Freyja	2016	Hyundai H.I.
BW Volans	2016	Hyundai H.I.
BW Brage	2016	Hyundai H.I.
BW Tucana	2016	Hyundai H.I.
BW Var	2016	Hyundai H.I.
BW Njord	2016	Hyundai H.I.
BW Balder	2016	Hyundai H.I.
BW Orion	2015	Hyundai H.I
BW Libra	2015	Hyundai H.I
BW Leo	2015	Hyundai H.I
BW Gemini	2015	Hyundai H.I.
BW Carina	2015	Hyundai H.I.
BW Aries	2014	Hyundai H.I.
BW Kyoto	2010	Mitsubishi H.I.

7 BW LPG — Time Charter in

Name	Year Built	Shipyard
BW Yushi	2020	Mitsubishi H.I.
BW Kizoku	2020	Mitsubishi H.I.
Gas Zenith	2017	Mitsubishi H.I.
Oriental King	2017	Hyundai H.I.
Doraji Gas	2017	Hyundai H.I.
Berge Nantong	2006	Hyundai H.I.
Berge Ningbo	2006	Hyundai H.I.

8 BW LPG India — 52% Ownership

Name	Year Built	Shipyard
BW Pine	2011	Kawasaki S.C.
BW Lord	2008	DMSE
BW Tyr	2008	Hyundai H.I.
BW Loyalty	2008	DMSE
BW Oak	2008	Hyundai H.I.
BW Elm	2007	Hyundai H.I.
BW Birch	2007	Hyundai H.I.
BW Cedar	2007	Hyundai H.I.

12 Operated

Name	Year Built	Shipyard	Participant
Astor	2023	Hyundai H.I.	Product Services
Eco Sorcerer	2023	Hyundai H.I.	Product Services
Kaede	2023	Hyundai H.I.	Product Services
Gas Venus	2021	Jiangnan	Sinogas Maritime
Gas Gabriela	2021	Hyundai H.I.	Product Services
Reference Point	2020	Jiangnan	Product Services
Clipper Wilma	2019	Hyundai H.I.	Product Services
Vivit Altais	2019	Hyundai H.I.	Vitol
Vivit Thuban	2019	Hyundai H.I.	Vitol
Vivit Fornax	2019	Hyundai H.I.	Vitol
Vivit Dubhe	2019	Hyundai H.I.	Vitol
BW Tokyo	2009	Mitsubishi H.I.	Exmar

As of February 2024

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Our History

In 1955, Sir Yue-Kong (Y.K.) Pao bought his first vessel, a 27-year-old coal-powered freighter renamed Golden Alpha and founded World-Wide Shipping. In 2003, World-Wide Shipping acquired Bergesen, Norway's largest shipping company, and in 2005, the business was re-branded as BW. The LPG segment of the BW business was listed in 2013. Today, BW LPG owns and operates the world's largest fleet of Very Large Gas Carriers and has a presence in LPG trading and shore LPG infrastructure.

1955
World-Wide Shipping founded by Sir Y.K. Pao

1969
Launch of first VLGC World Chief

1979
Became the largest independent ship owner with >300 vessels

1999
Acquired N&T Argonaut

2003
Acquired and delisted Bergesen

1935
Bergesen founded by Sigval Bergesen

1967
Entry into the dry bulk market

1970s
Entry into gas market

1986
Listed on the Oslo Stock Exchange

2005
A common identity with BW

2006
- Listed BW Offshore
- Listed BW Gas
- Acquired Yara's gas fleet

2007
Acquired APL

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

2009
Privatised BW Gas

2012
Sold APL and acquired Prosafe Production

2013
- Listed BW LPG
- Acquired Maersk Tankers' VLGC fleet

2014
Took delivery of one newbuilding from HHI

2015
Took delivery of five newbuildings from HHI

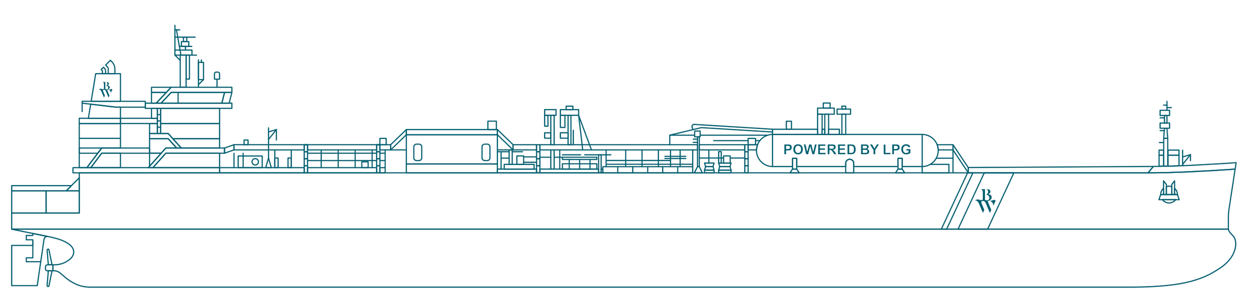
2016
- Acquired Aurora LPG
- Took delivery of four newbuildings from HHI and DSME

2017
- Established BW LPG India
- Took delivery of one newbuilding from DSME

2018
Announced plan to retrofit VLGCs with pioneering LPG propulsion technology

POWERED BY LPG

2019
- Launched Product Services Division
- Took delivery of one newbuilding from HHI
- Divested two LGCs



2020
- World's first LPG-powered VLGC on water
- BW LPG India became India's largest VLGC owner and operator

2021
- 12 LPG-powered VLGCs on water
- Signed first transition loan revolving credit facility and first sustainability-linked loan
- Maas Capital acquired minority stake in BW LPG India
- Divested three VLGCs

2022
- Acquired Vilma Oil's LPG trading operations
- All 15 LPG-powered VLGCs on water
- Divested four VLGCs

2023
- Announced intention to have dual-listing in the USA
- Welcomed seven VLGCs to the pool and two MGCs to the fleet
- Declared purchase options for VLGC BW Messina and BW Kyoto
- Formed JV "BW Confidence" with Confidence Petroleum in India
- Signed MOU to develop an LPG storage terminal in Navi Mumbai, India
- Divested three VLGCs

Our Operating Context

LPG consists of propane and butane, petroleum gases which are released during the extraction of crude oil and natural gas or during the refining of crude oil. Despite being gaseous at ambient pressure and temperature, propane and butane both liquefy relatively easily under pressure, refrigeration or a combination of the two.

LPG and LPG Value Chain

LPG is a cleaner energy source compared to many other fossil fuels and has numerous applications. The largest consumer of LPG globally is the retail market at about 200 million metric tonnes per annum. Around 60% of the total consumption of LPG is represented by its use for transport, heating or cooking by end-users such as individuals or businesses. The remaining consumption is absorbed by large bulk applications such as the petrochemical industry or small bulk applications for industrial use.

At BW LPG, we deliver LPG to world markets with a fleet of 46 LPG carriers, 17 of which are powered by LPG dual-fuel propulsion technology. From spot voyages and time charters to Contracts of Affreightment (CoAs), our emphasis on safe, flexible, and reliable service has earned the trust of leading oil companies as well as trading and utility companies.

Our touch points within the value chain typically include export terminals (linked to upstream pipelines and storage facilities) and import terminals (linked to downstream storage and transportation). These vessels are also used in large-scale maritime storage projects — often acting as floating terminals. We are also expanding into downstream terminal infrastructure.

Very Large Gas Carrier BW Gemini loading cargo at Enterprise Terminal in Houston, Texas.

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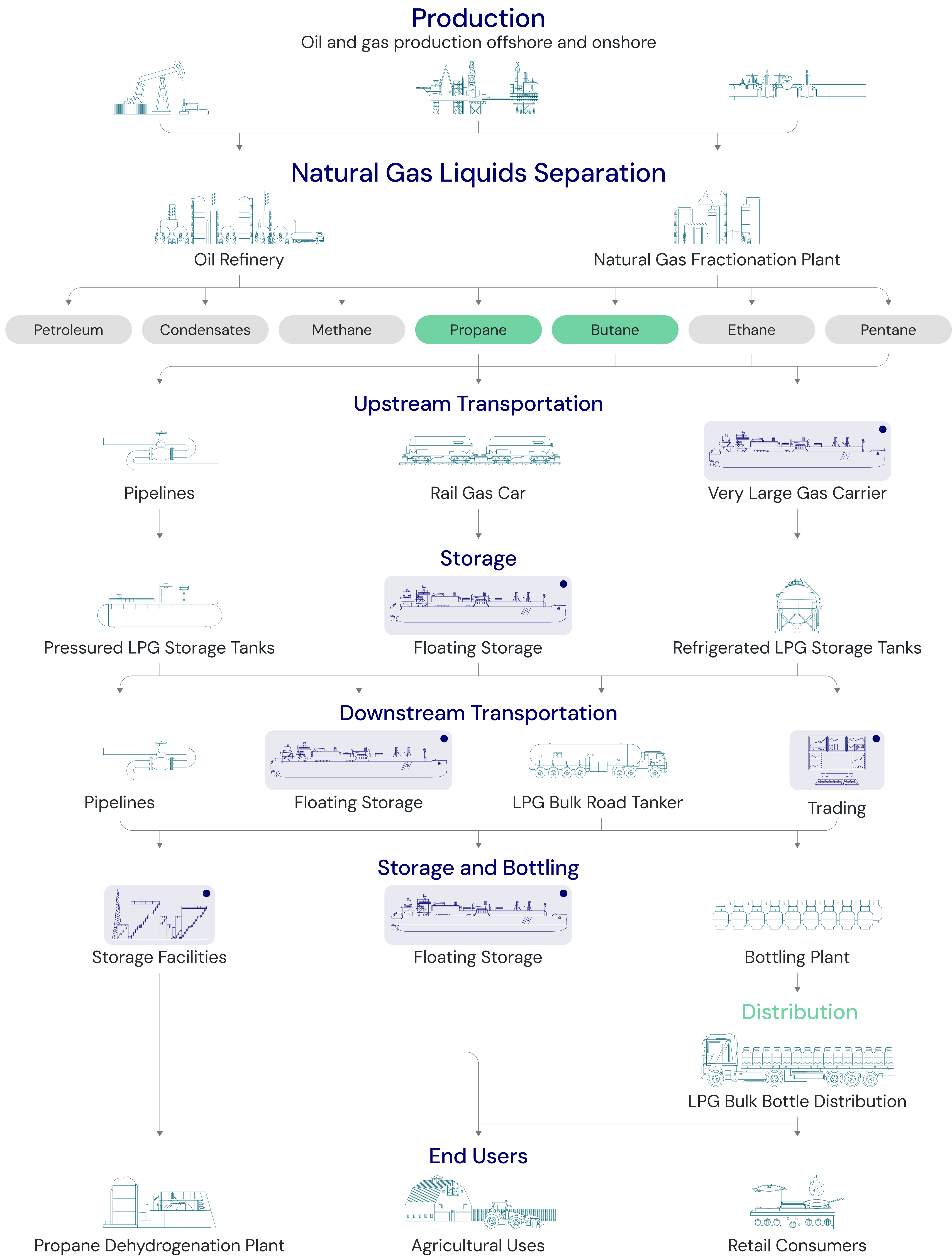
Our Operating Context



● LPG: Propane and butane, which comprise the majority of BW LPG's cargoes ● Business sectors where BW LPG is present

04 Strategy

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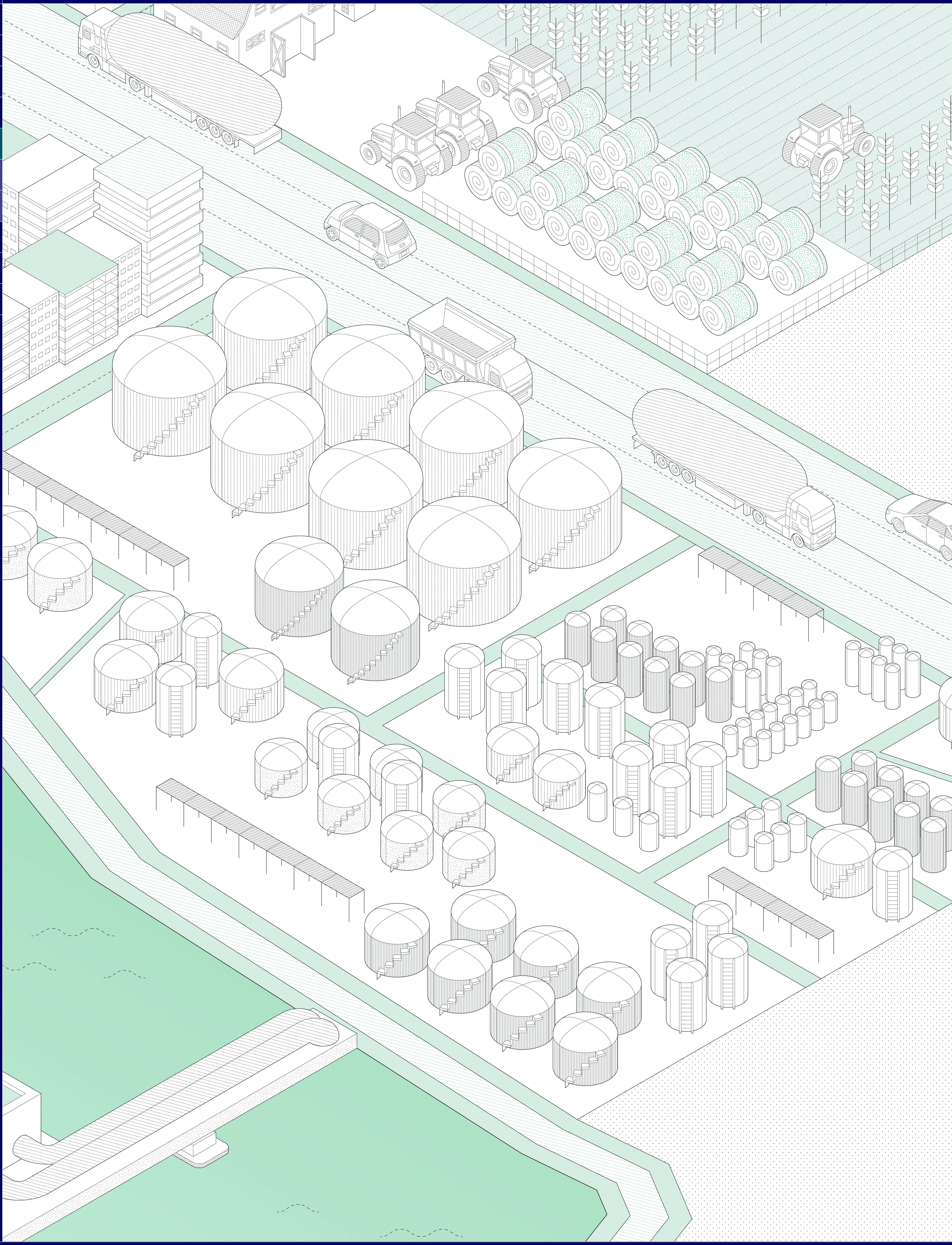

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Value Creation Model

As we aim to grow profitably in the value chain, we continue to remain focused on our customers and the environment. A sustainable business requires a sound strategy and its focused implementation. Our strategy, developed over the years, has guided us to expand our presence in the value chain and embark on disciplined fleet renewal. This has led to a strong balance sheet, optimised fleet profile, successful corporate expansion, and continued investor interest.

Input (Capital)

Financial

- Low leverage
- Strong cash flow
- Ample liquidity

Physical

- 46 vessels of which 17 are LPG-powered
- 5 offices world-wide

Intellectual

- Brand recognition for quality and reliability
- Pioneering LPG propulsion technology and operational know-how
- Innovative capabilities

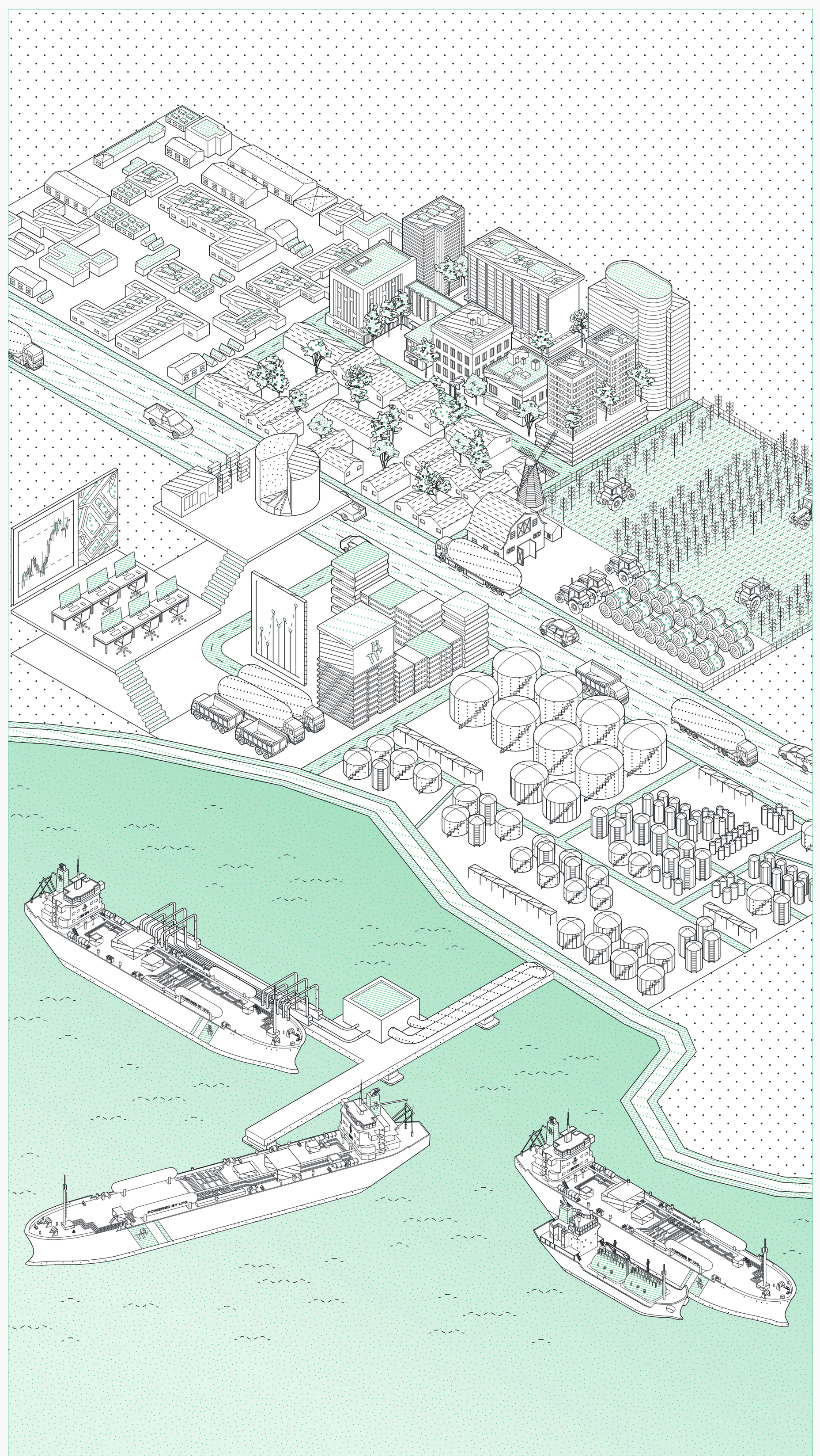
Human

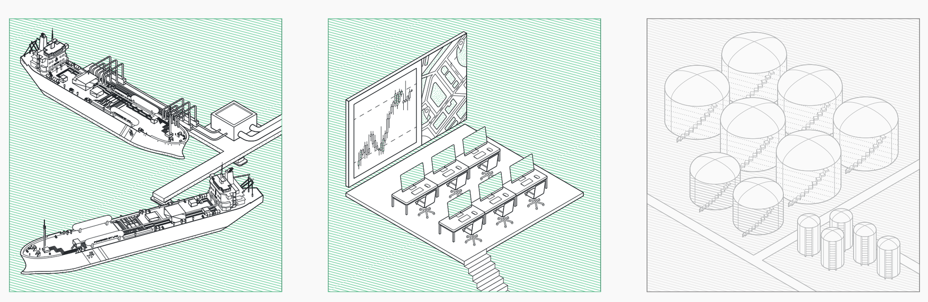
- >1,500 crew and employees
- >80 years of maritime and shipping experience
- Commercial agility
- Skills, values and industry insights

Social and Relationship

Strategic and trusted partnerships with key stakeholders such as customers, capital lenders, governments and regulatory bodies

Business Activities





Shipping

Trading

Infrastructure (Planned)

BW LPG's core business is in LPG shipping. Our fleet of Very Large Gas Carriers and Medium Gas Carriers are built for high-volume long-distance transportation of LPG. These vessels can also serve as floating terminals for large-scale maritime storage projects.

Our capabilities include LPG trading, and will also include LPG shore terminal infrastructure.

Output

With LPG, we uplift communities with cleaner burning energy. We:

- Power the global economy and support other industries
- Provide superior shareholder returns
- Reduce environmental impact by replacing pollutive fuels

Financial (2023)

- 24% Return on Capital Employed
- 31% Return on Equity
- 21% Net Leverage Ratio

Physical

- 13.9 M MT cargo carried (Shipping)
- 3.4 M MT cargo handled (Trading)
- 1 LPG storage terminal*

Intellectual

- Inaugural year for trading team

Human

- Positive safety record with 0.16 LTIF and 0.16 TRCF
- 11.7% employee turnover in 2023

Social and Relationship

- New JV partner Confidence Petroleum and Ganesh Benzoplast

*Planned

As of February 2024

Our Strategy

As the world's largest owner and operator of Very Large Gas Carriers delivering LPG to world markets, we are keenly aware of its environmental benefits and its importance in powering a lower-carbon future. Because LPG is cleaner-burning, cheap and easy to transport and use, it can play an important role in improving the lives of people who do not have access to more advanced grid-scale energy solutions. BW can contribute towards meeting the energy needs of communities in the present, even as we find solutions for tomorrow. We will run our business sustainably and return value to shareholders, reduce emissions from operations, and increase positive impact on communities.

Our strategy is to build across three business verticals of shipping (which remains our core business), trading, and LPG terminal infrastructure and capture value across the value chain. We are building on our experience and leadership position in LPG shipping to expand our business into trading and infrastructure and capture value across the value chain. This will enable us to build more stable returns for our investors and energy for our customers — when and where it is needed most. With growing capabilities in the transportation, trading and distribution of this versatile fuel, we are proud that our growth will also help power a better tomorrow. Even as we adapt to changing market conditions, our values remain the same — we will be collaborative, ambitious, reliable, and enduring in all that we do.

Vision	Purpose
Best on Water with Cleaner Energy	Delivering Energy for a Better World

As we grow and protect our sustainability as a business, we will act for the environment, uplift communities, and uphold responsible and transparent business practices.

Business Verticals	**Product Services** Our Trading Arm Leverage shipping and value chain assets to build our trading portfolio	**Shipping** Our Core Business Deliver LPG to world markets safely and sustainably, and prepare for future ship design and technology	**Infrastructure** Our Value Chain Assets Capitalise on owned assets and capture margins down the value chain	
Corporate Pillars	**Operational Excellence** With Zero Harm as priority and customer service in mind	**Profitable Growth Along Value Chain** To ensure our long-term sustainability as a business	**Superior Shareholder Returns** To ensure future access to vital funding and investments	**Values in Action** So that BW LPG is a great place to work and conduct business with
ESG Pillars	**Environmental** Optimise our environmental actions as a responsible maritime and energy stakeholder	**Social** Protect and advance the interests of our workforce	**Governance** Uphold transparency and integrity in all business transactions	
Material Topics	• Climate Change • Emissions and Energy • Protecting Biodiversity	• Working Environment • Recruitment, Development and Retention	• Business Conduct • Effective Management • Supply Chain	

05 Performance

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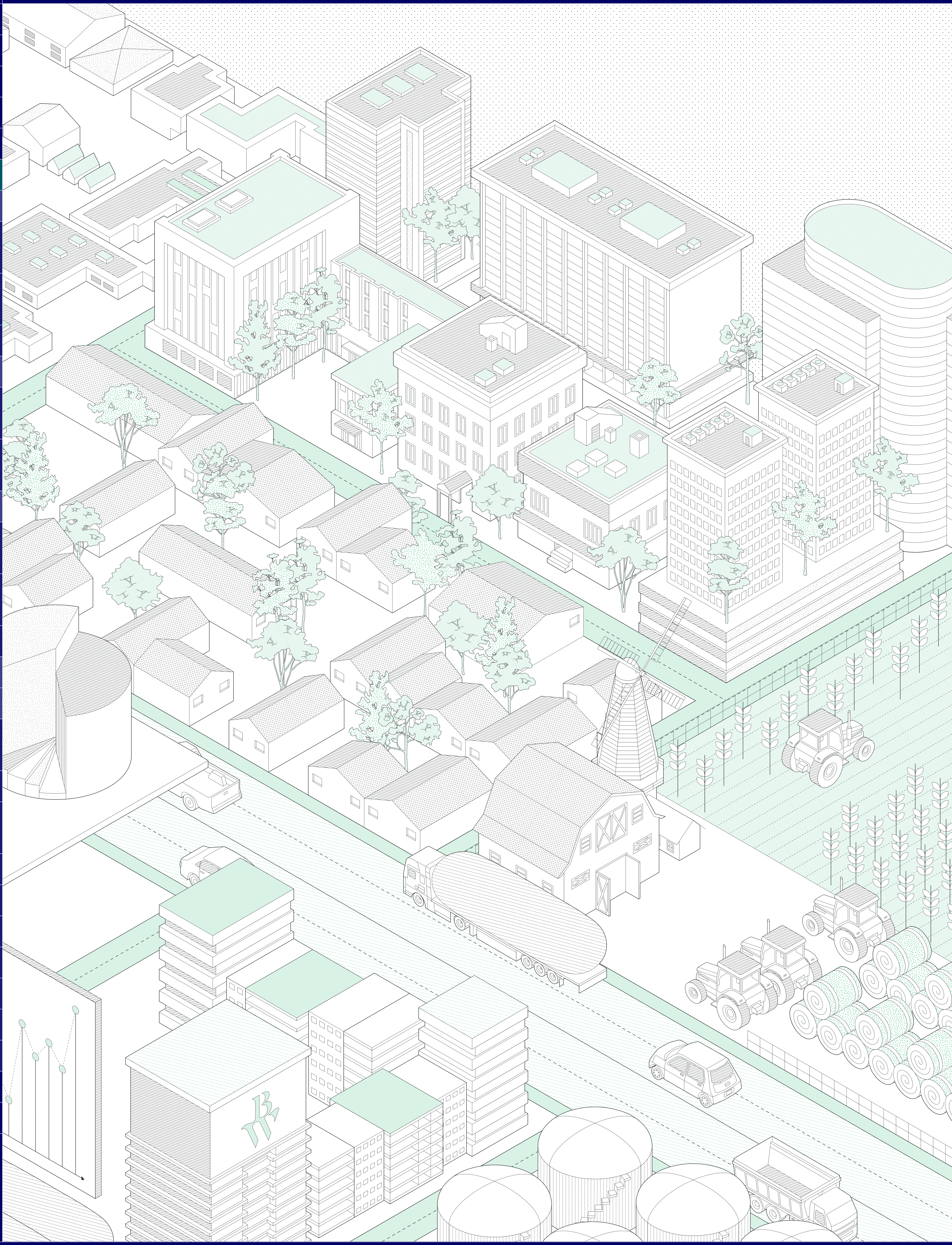

Shipping

A rapidly transforming global energy landscape requires a nimble approach as we navigate forward. The future of LPG remains bright. We continue to expand our presence along the value chain, strengthening our leading position in shipping while seizing opportunities in related upstream and downstream activities.

A Strong Year for LPG Shipping

It was generally expected that 2023 would soften compared to 2022 due to an increased supply of vessels and a less certain demand outlook. However, contrary to expectations, 2023 ultimately proved to be the best year ever recorded for the VLGC market. Strong growth in US production and stable domestic consumption of LPG in the US, coupled with increased demand in the Far East and market inefficiencies, led to the record-wide arbitrage in pricing between the US and the Far East.

Disruption to transits through the Panama Canal was the main driver behind market inefficiencies, reducing the number of transits and increasing voyage tonne-miles. As a result, the VLGC market experienced significant volatility, with the largest historical daily moves on all three Baltic routes taking place in 2023.

LPG-powered Very Large Gas Carrier BW Volans.

Shipping

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Record Rates for our Optimised Fleet

Our shipping business delivered the highest historical daily TCE on record in Q1 2023 with US$60,900 per available day; a record which was remade in Q4 with US$76,000 per available day and a fleet utilisation of 97%.

Our fleet remains robust with 46 vessels despite active sales over the year. We welcomed seven VLGCs to the pool in 2023 and two MGCs for the Product Services team. The close collaboration between our technical and operations teams and crew onboard our LPG-powered vessels allowed us to capitalise on our retrofit programme. As the spread between compliant fuel and LPG widened, our cost savings over the year exceeded US$11 million. We are realising the environmental, operational and financial benefits of LPG propulsion, and LPG remains a cost-effective and readily available fuel.

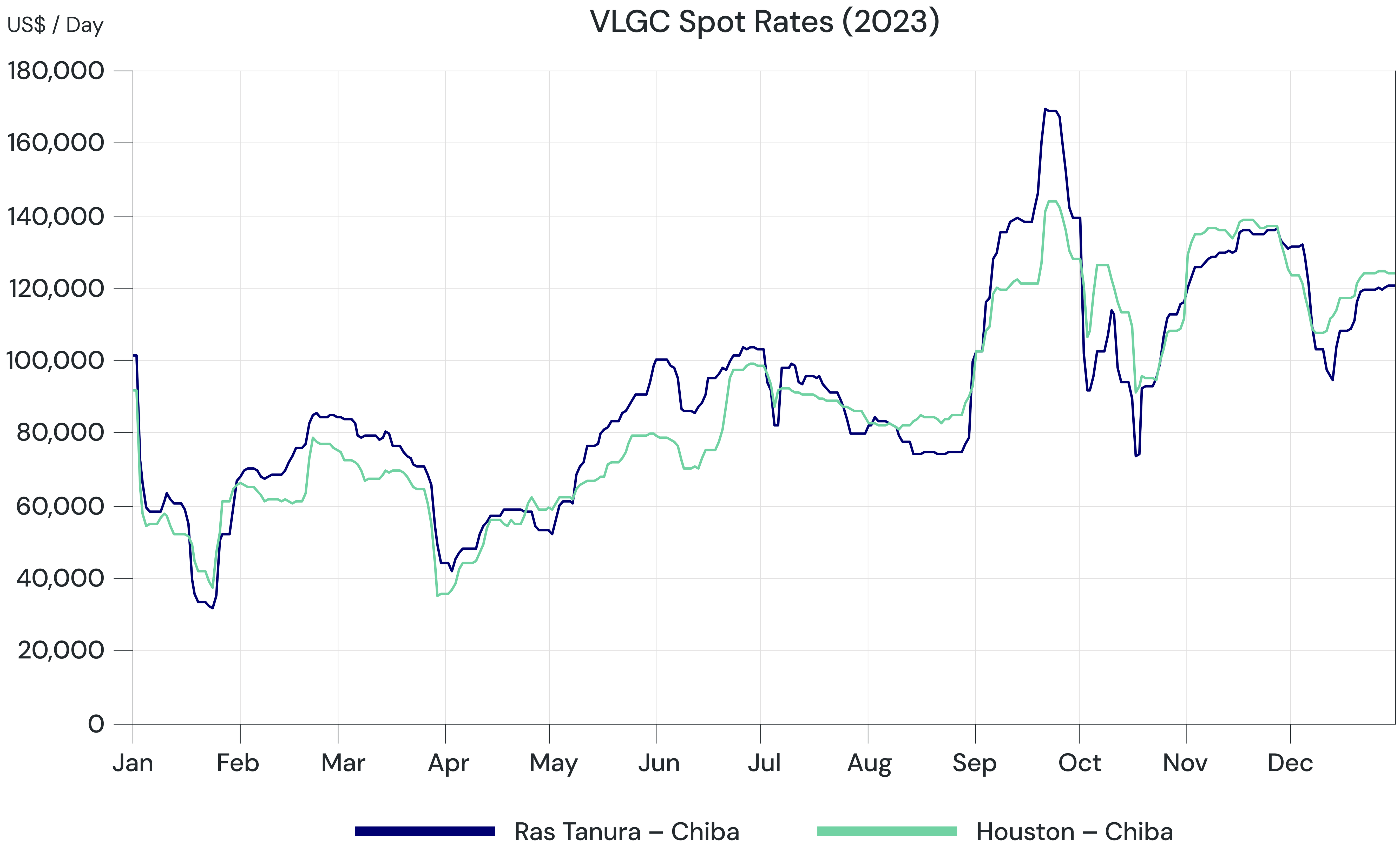
For 2024, 19% of our fleet has been fixed under time-charters, with an average daily rate of US$41,500. We have balanced our TC in and out commitments for 2024 and secured a US$23 million profit. Additionally, 14% of our days are hedged with derivatives at an average of US$56,500 per day. Taking a slightly longer view of the VLGC market, we see a significant slowdown in fleet growth in 2024, with 21 newbuildings expected for delivery over the year. Taking into consideration the substantial LPG export expansions in both the US and the Middle East, coupled with shipyards being booked until 2027, we anticipate promising opportunities in the LPG shipping sector.

Very Large Gas Carrier BW Balder in Sweden.

Shipping

2023 in 4 Charts

01 VLGC Spot Rates Exceptionally Strong During 2023



VLGC spot rates have been exceptionally strong, and despite extreme volatility, they have remained at historical highs throughout 2023.

The market rates peaked in September, reaching close to US$170,000/day. This surge was primarily driven by a robust product market, coupled with a tight supply/demand of VLGCs, resulting in ships being fixed further out on the curve and pushing rates up.

The Panama Canal faced challenges as the authorities announced further restrictions to canal transits in late October due to low water levels in the Gatun Lake. This prompted most of the fleet to reroute via Suez or Cape of Good Hope, increasing voyage length by up to 50%. The extended routes let to an increase in tonne-miles and caused disruptions to the trading and pricing patterns in the market, widening the US-Far East arbitrage and pushing freight rates further up.

US inventory levels are highly seasonal, with inventory draws during the winter season reducing export volumes and putting downward pressure on LPG prices. Spot rates were at US$120,000/day by the end of the year.

Shipping

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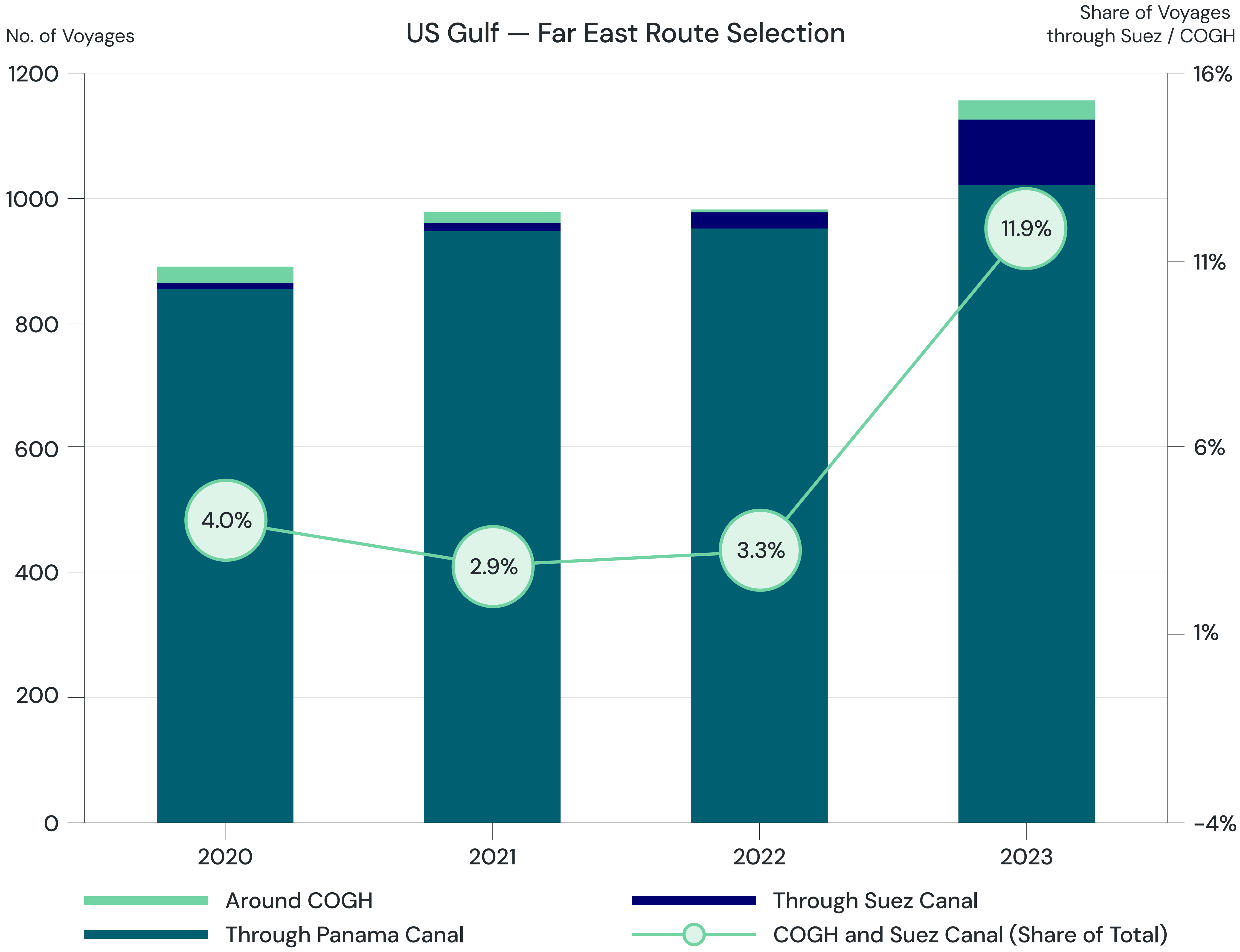
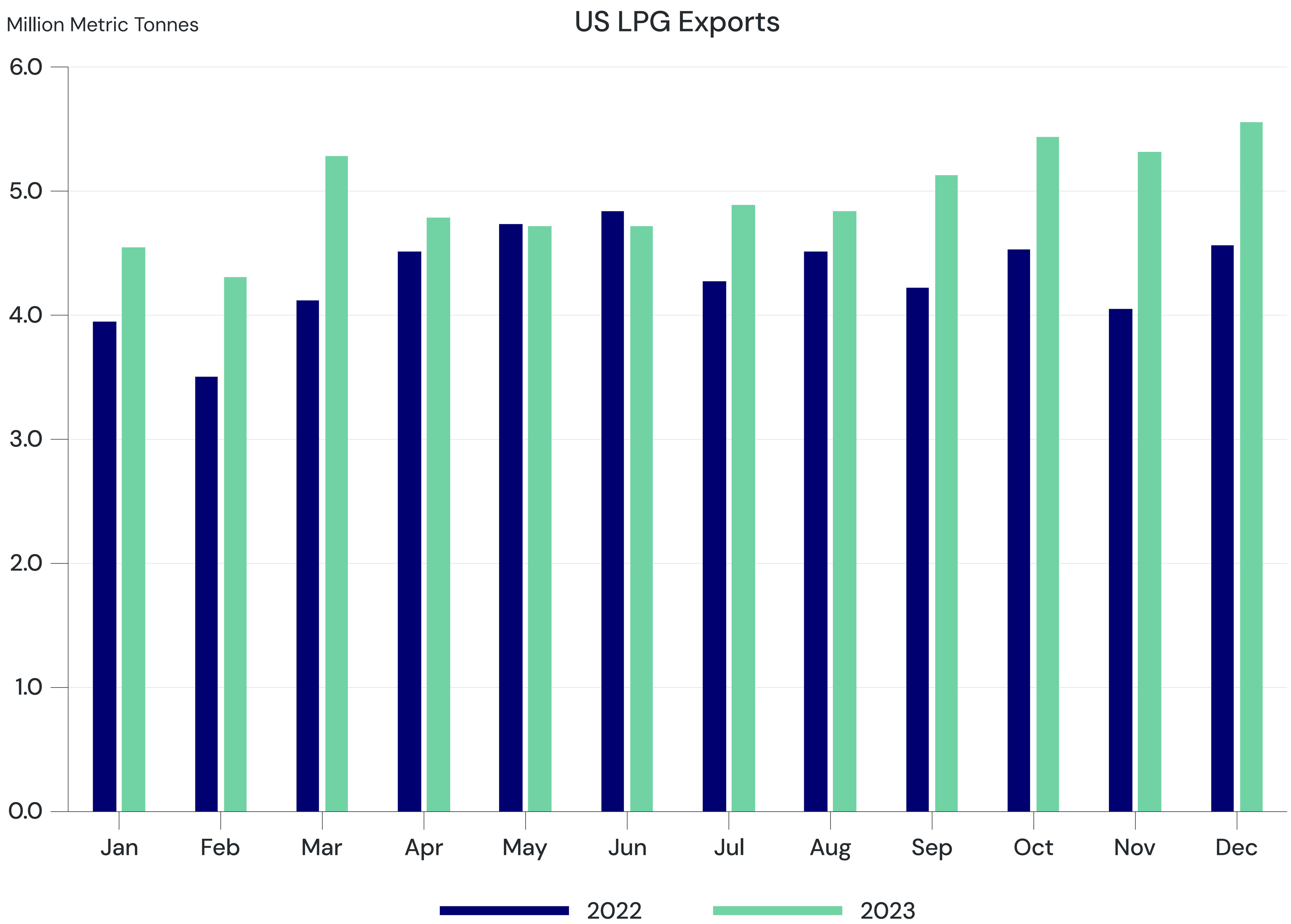
02 US Gulf — Far East Route Selection — Significant increase in alternative voyages replacing Panama Canal (Main Route for VLGCs)



During 2023, the number of voyages through the Suez Canal or around the Cape of Good Hope increased from 32 voyages in 2022 to 135 voyages in 2023. In 2023, the share of voyages through the Suez Canal or around Cape of Good Hope was 11.9% of the total, representing a significant increase from the 2022 levels of 3.3%.

Shipping

03 Strong Growth in US LPG Exports



US propane exports grew 14.8% in 2023 versus 2022.

The increased export growth was predominantly driven by a surge in oil and gas production in the US, coupled with consistent domestic consumption and high inventories. Notably, the Natural Gas Liquids (NGL) content in gas production surpassed the previous year, contributing to the overall increase in export figures.

This can be explained by the increasing gas-to-oil ratio in the Permian region. For every barrel of oil that is produced, about half a barrel of NGL is now produced, representing a tripling since 2018.

US exports also benefited from a year with weak domestic consumption due to a mild winter and high inventories driven by a warm summer that reduced the need for early crop drying.

Shipping

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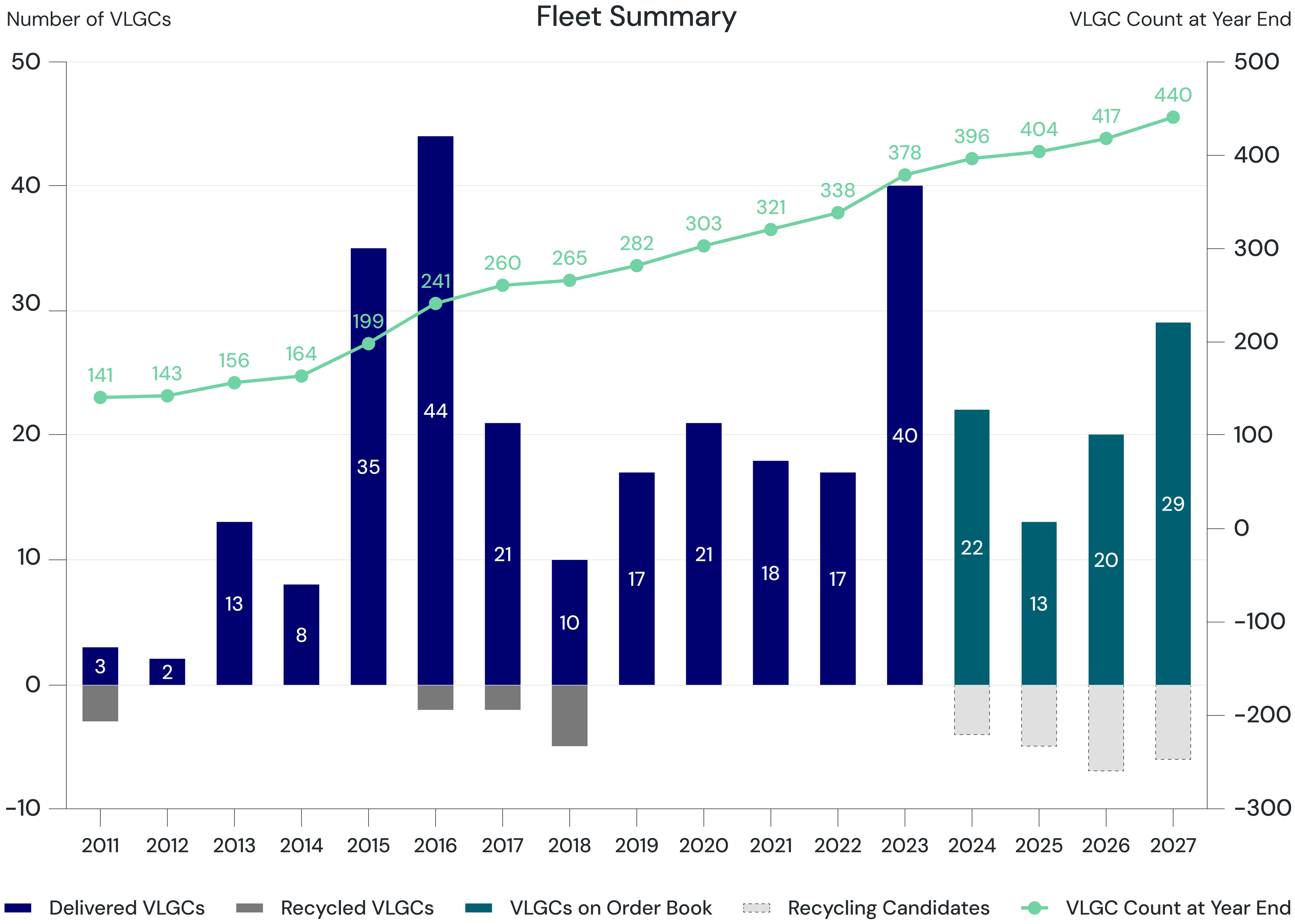
04 2023 Fleet Overview



The global VLGC fleet experienced its most substantial growth since 2016, adding 40 vessels during 2023. The fleet is quite young, with about 60% of the VLGCs being 10 years or younger and 15% being 20 years or older. All newbuildings delivered since 2021 have been delivered with dual-fuel engines that can run on both conventional fuel as well as LPG. The global LPG-powered VLGC fleet numbered 80 as of the writing of this report.

Despite concerns about the newbuilding order book delivered in 2023, the increased shipping capacity during the year was absorbed by high LPG exports, driven by increased demand growth in US and Middle East export volumes, along with disruptions in the Panama Canal and global fleet inefficiencies.

While an influx of new vessels typically exerts downward pressure on market balance and freight rates, the rise in tonnage will likely be partially offset by export growth, fleet inefficiencies, and new regulations. Additionally, limited yard capacity is driving up newbuilding prices, leading to prolonged yard delivery times. Newbuilding orders are currently scheduled for delivery from 2027.

Trading

The Product Services division was established in February 2019 to offer customers a low-risk and fully integrated product delivery service and support BW LPG's core shipping business. 2023 was BW Product Services' inaugural year as an expanded trading division with the successful integration of two teams.

Product Services purchases LPG and delivers it directly to customers, enabling customers to secure LPG supply at the final point of consumption without the need to handle shipping and associated risks. Product Services facilitates utilisation of the BW LPG fleet as it charters vessels to deliver LPG to customers, and also connects the shipping business to a new pool of customers who otherwise do not engage in transportation in their supply chain.

A Profitable Inaugural Year as an Expanded Trading Team

As an expanded Product Services team, we scaled our offering to provide even better service to customers while continuing to operate within disciplined capital requirements and defined risk thresholds. In 2023, BW Product Services generated a gross profit of US$26 million and handled approximately 3.4 million metric tonnes of LPG.

Some members of the Product Services Team in the Madrid office.

Trading

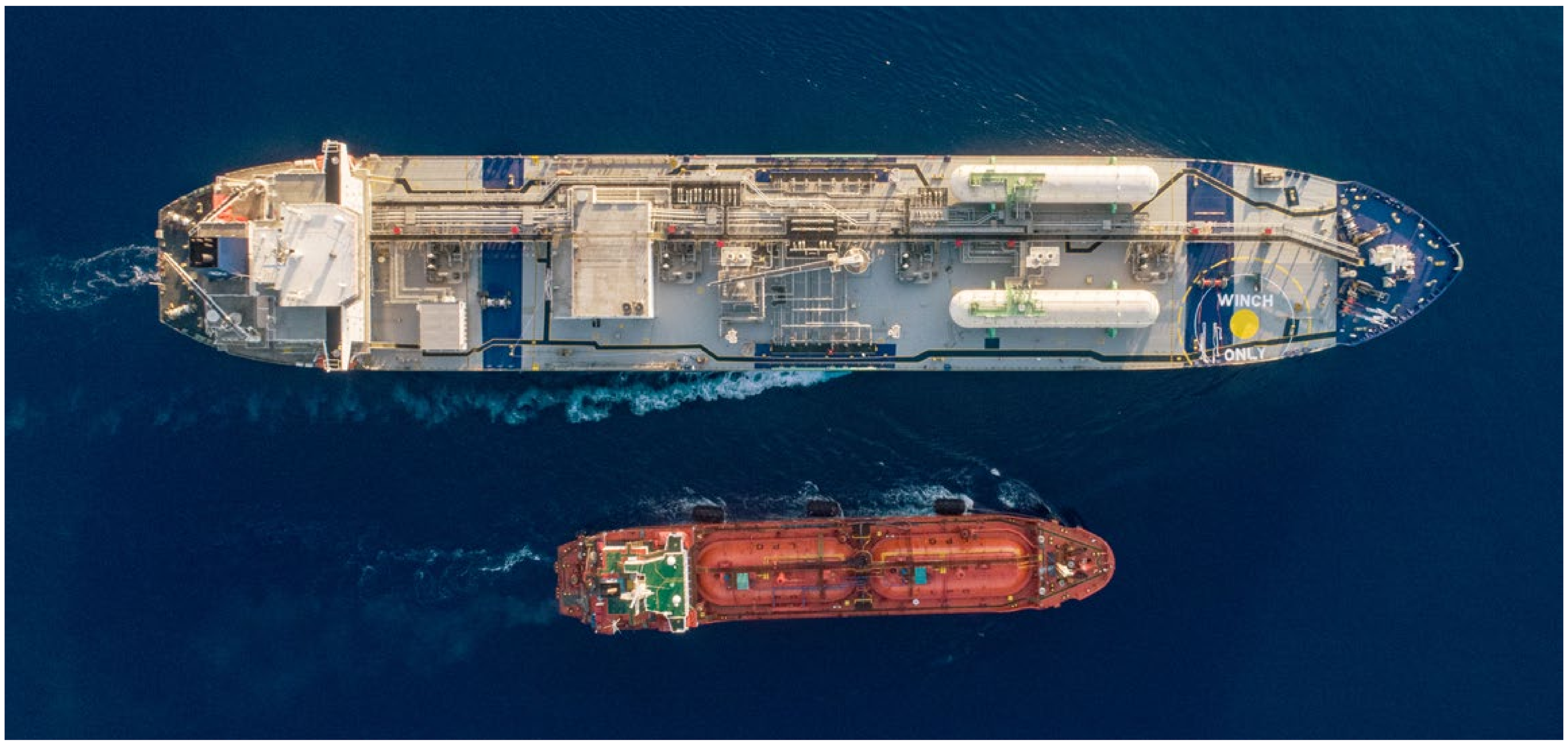
These achievements were obtained against the backdrop of a volatile macro environment with challenges from higher freight rates, increased Panama Canal transit challenges and lower-than-expected petrochemical margins and thus demand. Value at Risk (VAR) remained relatively stable across the year, and the portfolio was well-balanced between cargoes, shipping, and derivatives from a trading book perspective.

As BW Product Services focused on securing profit and generating sustainable returns, it also advanced plans to expand its presence in key markets, broaden its platform and trading portfolio. It expanded into the mid-size space with the addition of two MGCs and secured two time-charter contracts which allowed the team to tap into new markets beyond the VLGC segment. The team also renewed its US Gulf equity commitment and secured a term contract in the Middle East, diversifying business exposure and mitigating Panama Canal risks. It also opened an office in the US, generating additional income from domestic market trades, and improving information flow from further up the supply chain with insights on the upstream drivers influencing the export market.

Throughout the year, the team also juggled the logistics that came with integration — office relocations, new business processes, internal audits, and the tailoring and implementation of a new leading-edge risk management system, a multi-tenant SaaS solution covering physical and trading workflows with integrated market data, sophisticated analytics and real-time reporting, while merging existing accounting and invoicing platforms.

Complementing the Shipping Business

In addition to these core accomplishments, close communication and collaboration with colleagues in the shipping business have led to more commercial opportunities and enhanced fleet utilisation. The team's extensive market experience and relationships with LPG suppliers and consumers adds another dimension to BW LPG's overall corporate evaluation of the LPG market.



Very Large Gas Carrier BW Balder conducting ship-to-ship operations with LPG Carrier Epic St. Martin.

Infrastructure

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We have generated strong and stable returns from our Indian subsidiary, and are ready to accelerate growth. In concurrent strategic moves amounting to over US$40 million, we formed a Joint Venture (JV) with Confidence Petroleum and agreed to invest in the company; and signed an agreement to develop and operate an LPG onshore import terminal in Mumbai.

BW LPG has been shipping LPG to world markets, including India, for decades. In 2017, anticipating increased demand for LPG in the world's most populous country, BW LPG established a local presence, BW LPG India, in Chennai. From modest beginnings, BW LPG has grown to become India's largest owner and operator of India-flagged and India-managed VLGCs, accounting for 30% of the supply of LPG into India and 20% of the time-charter market.

In 2023, we laid the foundation to transform our presence in India from a pure-play LPG shipping company to an integrated LPG player with portfolios in LPG trading, shipping, onshore terminal infrastructure and downstream distribution. BW LPG and Confidence Petroleum established a 50/50 JV named "BW Confidence Enterprise Private Limited" ("BW Confidence") in India, to explore investment opportunities in the LPG supply chain. Based in Mumbai, the JV intends to source and deliver LPG from the international market to meet Confidence and India's growing LPG import needs.

From left to right: Shri Rishi Pilani (Chairman and Managing Director, Ganesh Benzoplast), Mr Kristian Sørensen (CEO, BW LPG), Shri Nitin Khara (Chairman, Confidence Group).

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Infrastructure

LPG: A Story of Growth Benefitting Millions

India is the second largest LPG consumer globally. Strong government support for the use of LPG as a cleaner source of fuel for heating and cooking has translated into an impressive LPG penetration rate of over 99% for its 1.4 billion people.

Long-term market trends together with continued government support for the use of LPG are expected to support growing domestic demand. For example, residential sector demand is expected to grow at a compound annual growth rate (CAGR) of 3.3% to reach 34 million tonnes in 2030 — surpassing China to become the world's largest cooking gas LPG residential sector market. Government investments into new pipelines, port expansions and storage facilities, the construction of new propane dehydrogenation plants in the petrochemical sector, as well as a nascent industrial LPG sector also bode well for potential LPG import demand.

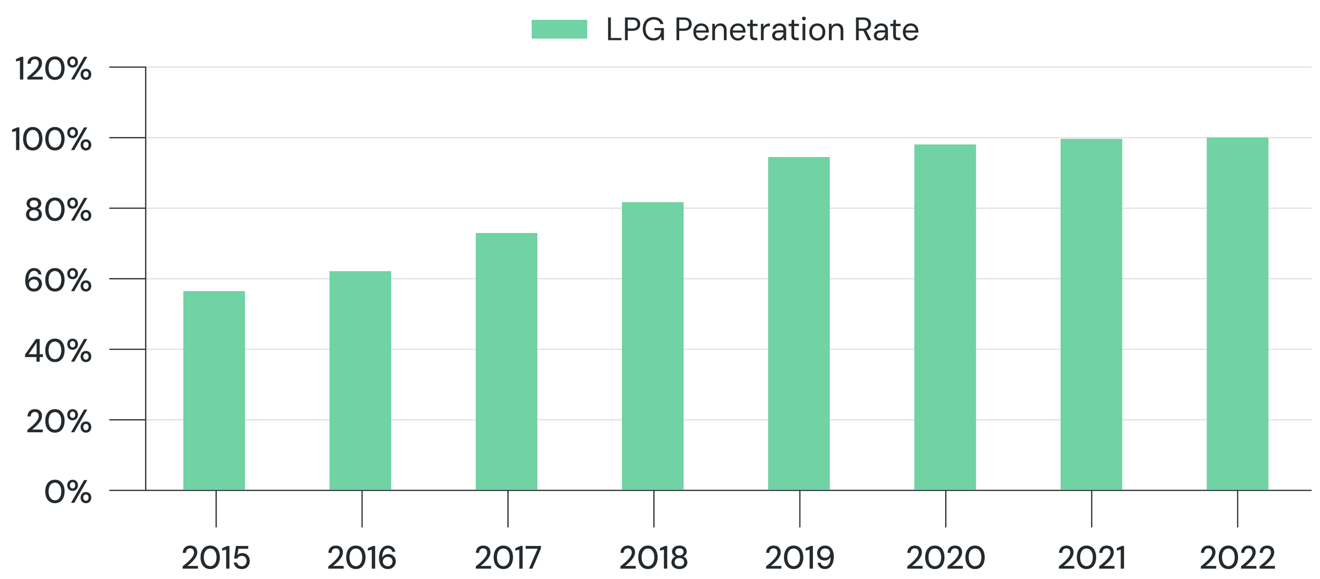
With such a strong demand growth story, investments are needed to ensure the supply chain infrastructure can support import volumes.

Pradhan Mantri Ujjwala Yojana (PMUY) or "Prime Minister's Lightening Scheme" was launched in 2016. The scheme aims to make cleaner cooking fuels such as LPG available to rural and low-income households due to environmental and health concerns from the use of traditional pollutive fuels such as firewood, coal, and processed cow manure. Since its launch, this ambitious scheme has benefitted millions of Indians.

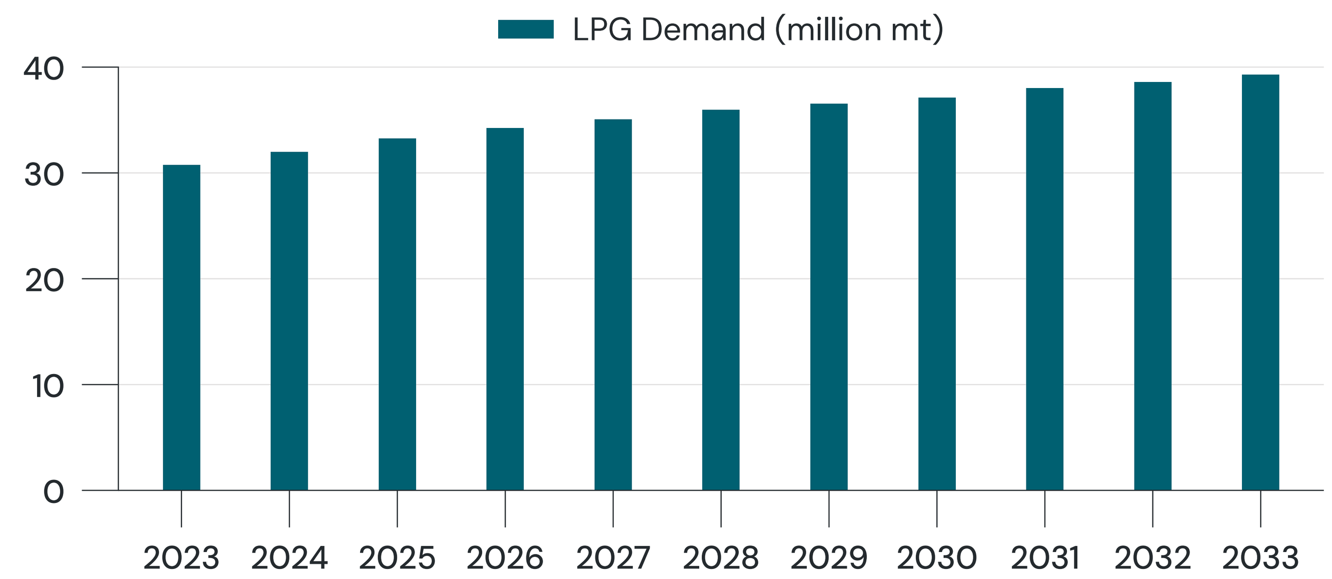
India LPG Imports Will Continue to Grow

Strong population growth, a clean energy focus and infrastructure upgrades will continue to drive the growth in LPG imports

Access to LPG Has Increased with Government Initiatives



LPG Demand Estimated To Grow by 28% to Reach Over 39 Million mts by 2033



High LPG Penetration Rate + Young and Growing Population + Government's Clean Energy Drive + Infrastructure Enhancements Across Terminals, Pipelines and Distribution ▶ Growing LPG Import Demand

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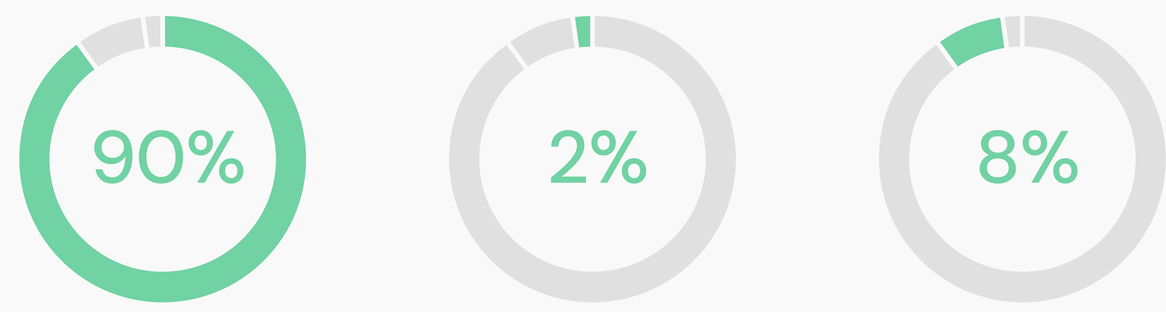
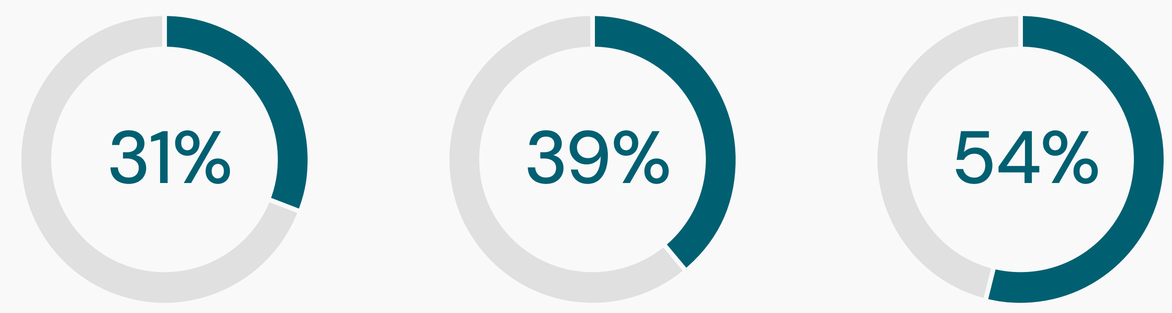
Infrastructure

LPG End Users in India



Share of LPG Industrial End Users



A Supply Chain Challenge as a Business Opportunity

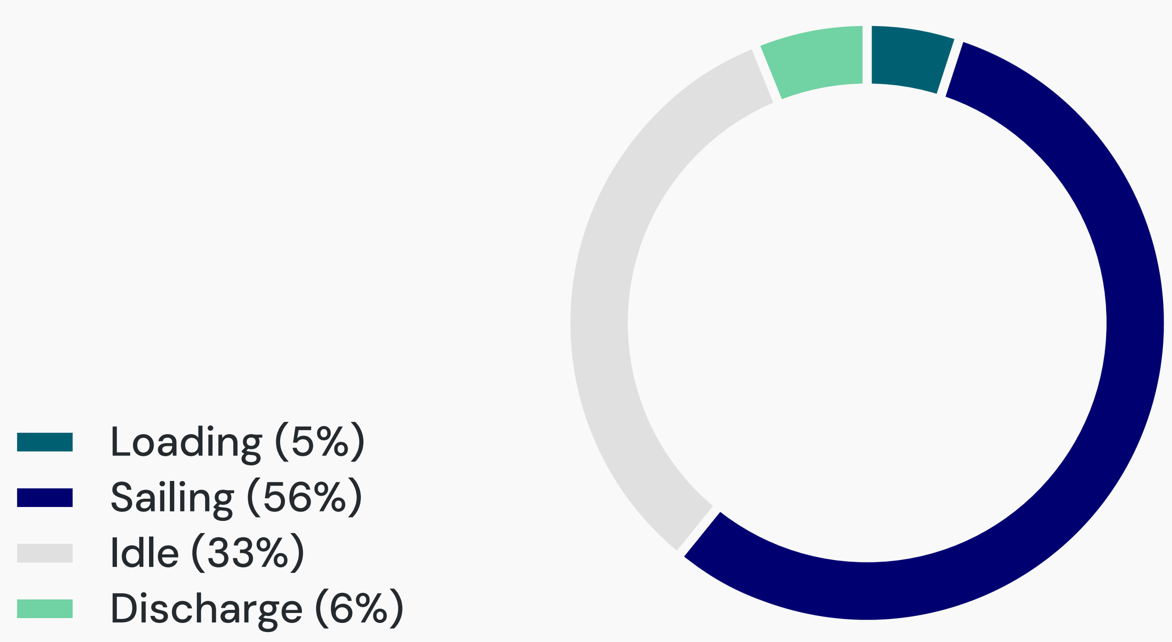
Developments of LPG import infrastructure have not kept pace with the strong growth in domestic demand for LPG.

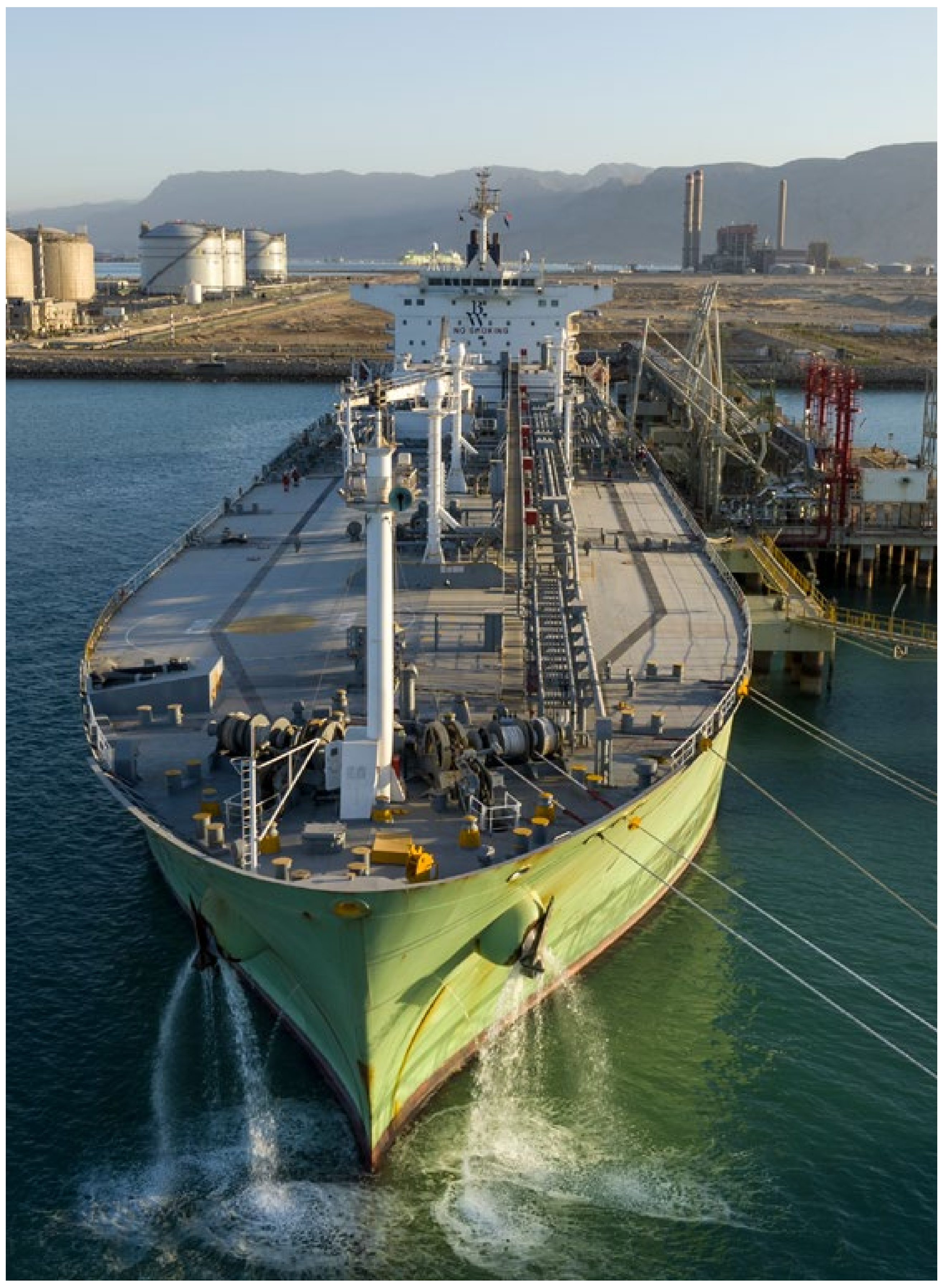
The first investment for BW Confidence promises to ease capacity constraints in the LPG supply chain. BW LPG will invest approximately US$10 million to jointly develop and operate a new LPG onshore import terminal at Jawaharlal Nehru Port Association Port (JNPT) in Navi Mumbai, India. The Agreement, signed between BW Confidence and Ganesh Benzoplast, will fund the construction of the largest cryogenic LPG storage terminal facility at JNPA Port. BW Confidence will own 55% of the JNPA terminal facility.

India's LPG ports are among the world's busiest and most congested

Long waiting time and lack of terminal ullage is adding to cost and delaying supply of LPG into India

~30% of a Typical Round Voyage is Spent Waiting at Anchor





Sources: Anfil Gas, report issued in November 2022

Infrastructure

When completed, it will be able to fully offload the latest fourth-generation VLGCs (93,000 cbm) in a single discharge operation. It will also have the potential to connect to the Uran Chakan pipeline to ensure competitive and efficient supply of LPG into other states. Construction work on the terminal will commence in 2024. The terminal is expected to be fully operational in 2027, and has the potential to significantly ease marine traffic into the State of Maharashtra, boosting the competitiveness of importing LPG by reducing costs.

Confidence Petroleum was established in 1993 and has evolved into one of India's premier domestic private players. Part of the Confidence Group, it has a large presence in the industrial, automobile, and domestic retail spaces, including India's largest privately held LPG bottling company which operates ~65 bottling plants and a network of ~250 auto LPG dispensing stations nationwide.

Moving Downstream

Our expansion into LPG import terminal facilities in India reflects our belief in the potential of the domestic LPG market. To further boost our growth trajectory, we have agreed to invest approximately US$30 million in Confidence Petroleum through a preferential allotment of equity shares. These shares will constitute 8.50% of the issued and paid-up share capital of Confidence Petroleum on a fully diluted basis, and BW LPG has the option to increase its shareholding. The investment will support Confidence Petroleum as it expands its capacity in LPG downstream assets. This transaction was completed on 16 February 2024.

Financial

	2023	2022
Financial Results	US$ M	US$ M
Time charter equivalent income – Shipping	797	568
Gross Profit / (loss) – Product Services	26	(3.5)
Net Profit	493	239
Balance Sheet	US$ M	US$ M
Vessel net book value	1,457	1,520
Total assets	2,520	2,560
Total cash and cash equivalents	288	285
Total borrowings and lease liabilities	570	706
Shareholders' equity	1,586	1,597
Cash Flows	US$ M	US$ M
Operating	513	505
Investing	69	113
Financing	(645)	(522)
Adjusted free cash flow	564	658
Available liquidity (including undrawn facility)	457	463
Share Performance	US$	US$
Earnings per share	3.53	1.68
Dividends per share	3.46	1.28
Per Day Costs	US$	US$
Vessel calendar days [1]	12,940	13,988
OPEX per day [2]	8,100	8,400
Ratios	%	%
Return on Equity	31	16
Return on Capital Employed	24	12
Net Leverage Ratio	21	23

[1] Includes Finance leased vessel
[2] Only for owned and bare-boat vessels

Return on Equity

31 % ↑

16% in 2022

Total Dividends Declared Since Listing

US$1.4 B ↑

US$970 M in 2022

Earnings per Share

US$3.53 ↑

US$1.68 in 2022

Financial

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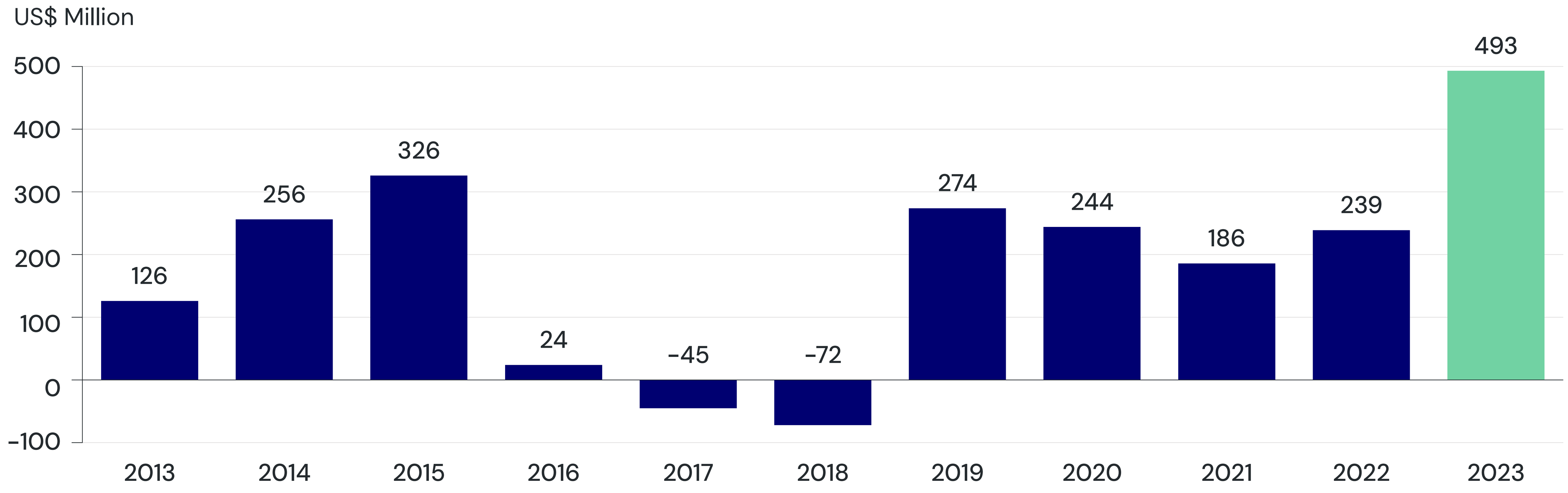
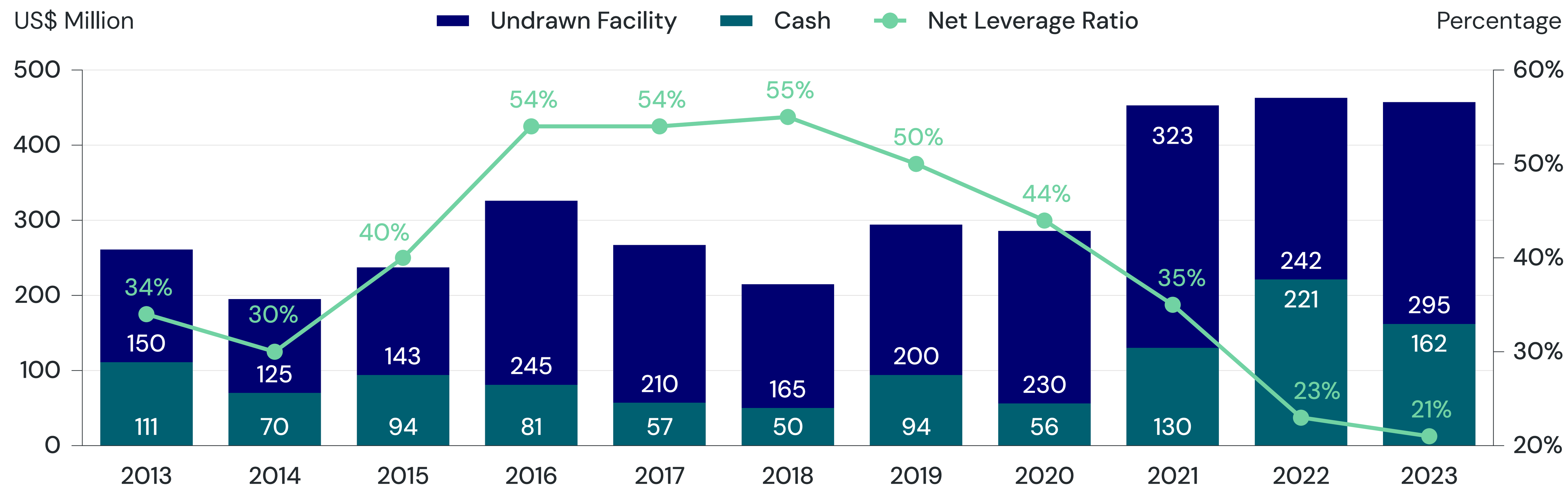
Net Profit After Tax

Ready for all market conditions with another year of profitability and growth.



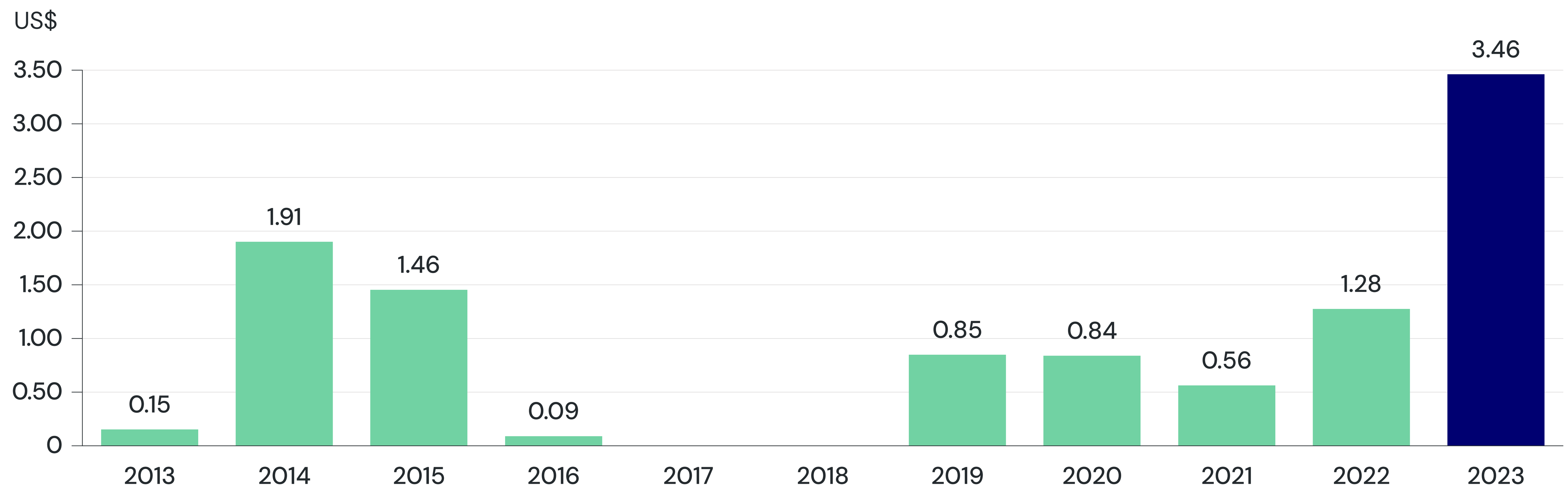
Available Liquidity and Net Leverage Ratio

Highest liquidity and lowest net leverage ratio since listing.



Dividends per Share

Generating unprecedented dividend capacity under current market conditions.



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Share

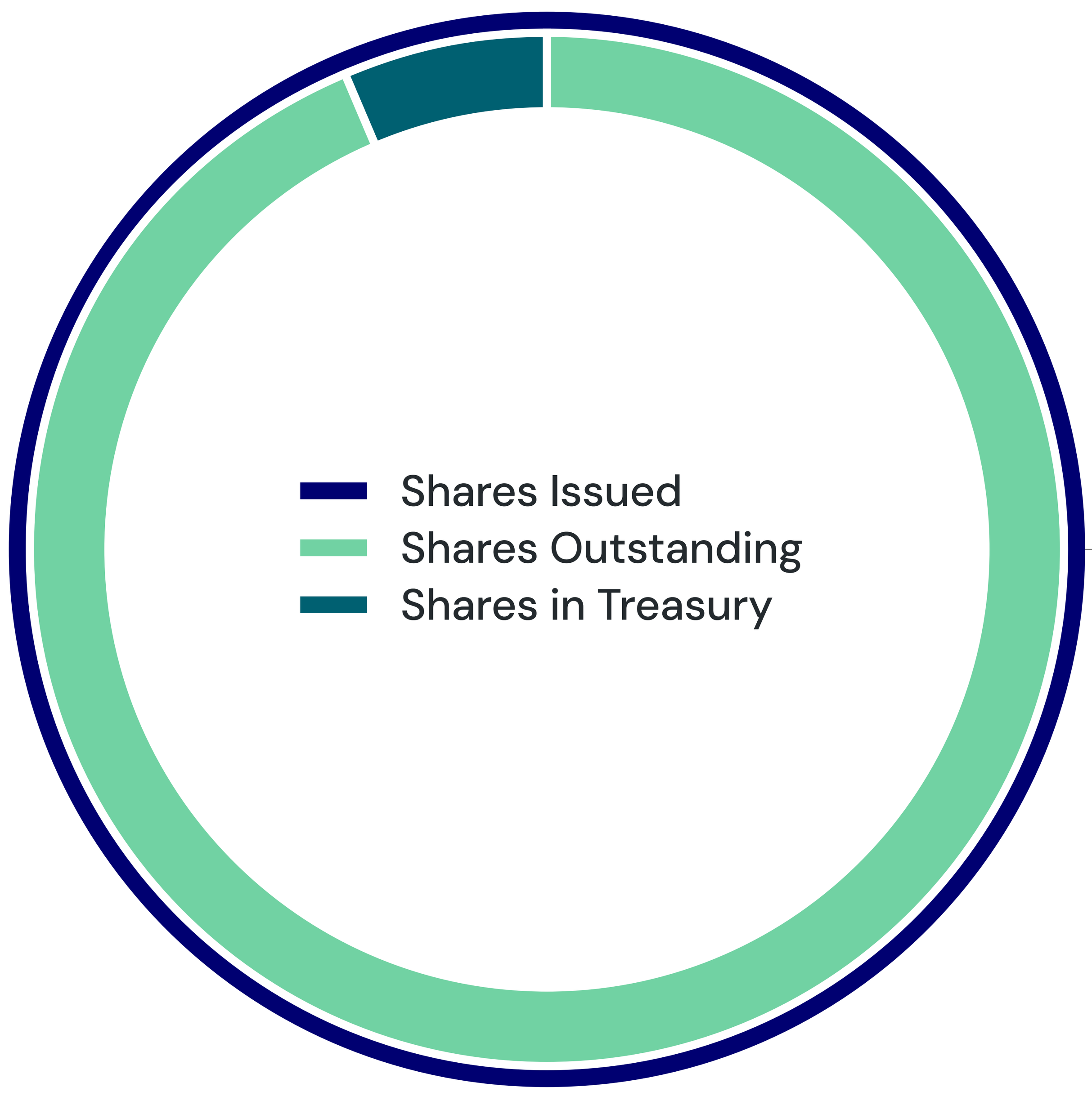
In 2023, the VLGC sector generated unprecedented dividend capacity. We are pleased to have returned more than 71% of our earnings in dividends since our listing in 2013.

Market Capitalisation and Turnover

BW LPG is listed on the Oslo stock exchange under the ticker code BW LPG. As of 31 December 2023, there were 140.0 million shares issued and 131.1 million shares outstanding with 8.9 million shares held in treasury. At the end of 2023, BW LPG's market capitalisation stood at US$2.1 billion; up from US$1.1 billion at the end of 2022. During 2023, an average of 354,000 BW LPG shares were traded daily, equivalent to 0.3% of outstanding shares.

Shares at a Glance

As of 31 December 2023



Shares Issued
140.0 M

Shares Outstanding
131.1 M

Shares in Treasury
8.9 M

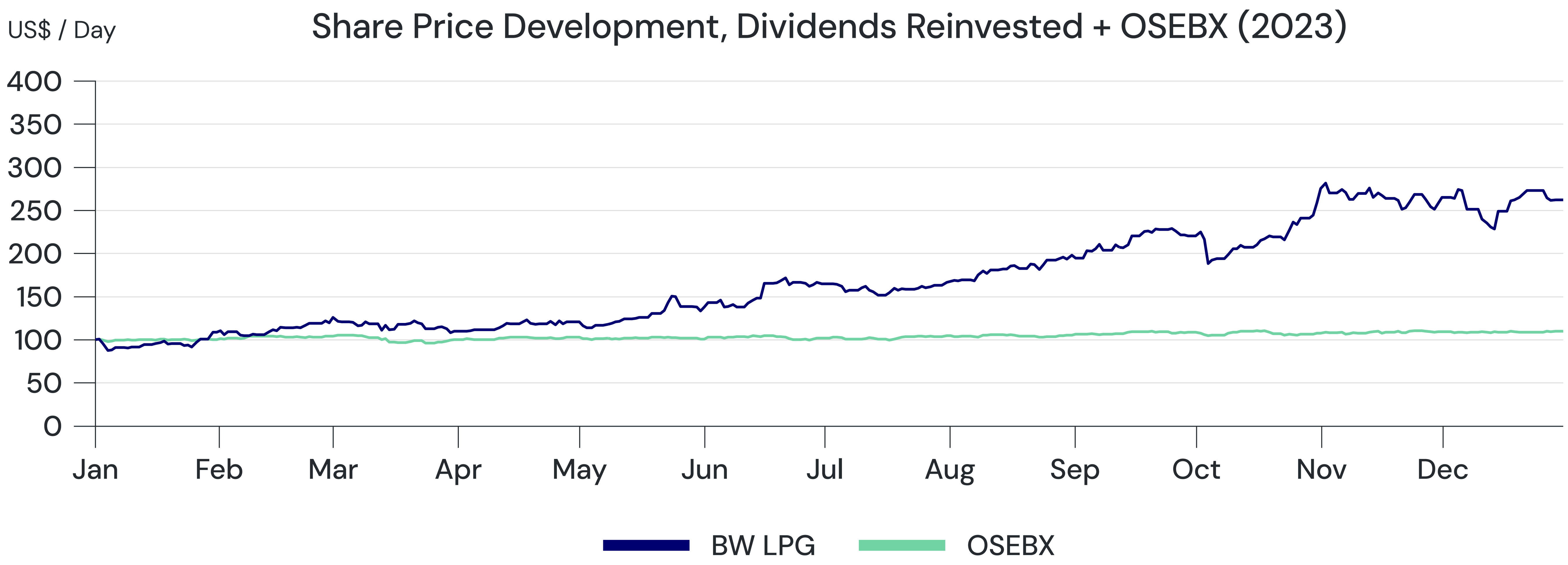
Market Capitalisation
US$2.1 B ↑
US$1.1 B in 2022

Av. Shares Traded Daily
354 K
Per Day (2023)

Av. Value of Traded Shares
US$4.1 M
Per Day (2023)

Share

Share price development and OSEBX (Indexed)



Buy-back Programme

A share buyback programme was initiated in May 2023. The programme aimed to purchase up to six million common shares for a maximum of US$50 million. In June and July 2023, we purchased 1.3 million shares at an average price of NOK 106.90 (US$10.30) per share, amounting to NOK 140.0 million (US$13.5 million).

In an earlier share buyback initiative between December 2021 and April 2023, we purchased a total of 7.3 million shares at an average price of NOK 59.40 (US$6.20) per share, amounting to NOK 435.0 million (US$45.5 million).

Share Price Performance

In 2023, global equity markets continued to grapple with high inflation and rising interest rates, as well as ongoing conflicts in Ukraine and in the Middle East. Nevertheless, inflation rates across the developed world trended downwards as growth remained resilient. Europe continued to pivot its energy sources away from Russia, and China opened additional PDH plants, which supported continued growth in production and exports of LPG from the United States.

2023 was a particularly strong year for shipping stocks, with LPG companies emerging as the top-performing segment. BW LPG's total shareholder return was 162% during the year (assuming reinvestment of dividends). BW LPG's share outperformed the OSEBX significantly, the latter returning 10%, and delivered our second-best performance on OSEBX during 2023.

This strong market enabled BW LPG to return significant capital to shareholders during the year. At the start of 2023, BW LPG's share price stood at US$7.89. With a total of US$3.46 per share in dividends declared during the year, this equated to a dividend yield of 44% for shares bought at the beginning of 2023.

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Dividend Policy

The dividend policy was revised in Q3 2023 to reflect the core shipping nature of our company.

BW LPG provides a quarterly dividend payout. The dividend payout is based on Shipping's Net Profit After Tax ("Shipping NPAT") and company leverage, adjusted for Product Service's performance and anticipated cash and capital requirement. The company aims for a payout ratio of 50% of Shipping NPAT, which will be enhanced to 75% and 100% of Shipping NPAT when net leverage is below 30% and 20% respectively.

Dividend Payment History

Since BW LPG's initial public offering in 2013, we have returned approximately US$1.4 billion to shareholders in total dividends. This equates to US$10.6 per share, and an accumulated payout ratio of 71% of the total earnings per share (EPS) since our IPO price of NOK47 (~US$7.80) per share. Accumulated EPS excludes all vessel impairment / write-backs to date.

Dividend Information

Period	(Impairment) / Writeback	Earnings	Number of Shares Outstanding	EPS	EPS (Adjusted)	Dividend per Share	Payout Ratio	Share Price at End of Period	Annualised Dividend Yield
	(US$ '000)	(US$ '000)	('000)	(US$)	(US$)	(US$)	(%)	(US$)	(%)
2023	—	469,957	133,034	3.53	3.53	3.46	98	14.83	23
2022	1,470	227,396	133,381	1.68	1.67	1.28	77	7.89	16
2021	31,901	184,821	138,951	1.33	1.10	0.56	51	5.74	10
2020	8,200	243,854	138,682	1.76	1.70	0.84	49	6.86	12
2019	37,995	273,840	138,983	1.97	1.70	0.85	50	8.41	10
2018	(33,500)	(71,400)	139,697	(0.51)	(0.27)	—	—	2.98	—
2017	(4,552)	(42,688)	141,777	(0.30)	(0.27)	—	—	4.71	—
2016	(144,147)	24,279	136,577	0.18	1.23	0.09	7	4.20	2
2015	—	323,967	133,071	2.43	2.43	1.46	60	8.30	18
2014	—	254,570	136,064	1.87	1.87	1.91	102	7.05	27
2013	56,347	124,739	136,276	0.92	0.50	0.15	30	9.51	3

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Top 20 Shareholders

As of 31 December 2023

No.	Name	No. of Shares	% of Shares Issued
1	BW Group Limited	48,407,126	34.58%
2	Folketrygdefondet	10,022,916	7.16%
3	BW LPG Ltd*	8,926,105	6.38%
4	State Street Bank and Trust Comp	3,290,036	2.35%
5	Clearstream Banking S.A.	1,927,805	1.38%
6	The Bank of New York Mellon	1,851,145	1.32%
7	JPMorgan Chase & Co	1,786,143	1.28%
8	JPMorgan Chase & Co	1,731,106	1.24%
9	Nordnet Bank AB	1,695,023	1.21%
10	Citibank, N.A.	1,684,014	1.20%
11	State Street Bank and Trust Comp	1,679,815	1.20%
12	J.P.Morgan Securities PLC	1,516,586	1.08%
13	Verdipapirfondet Alfred Berg Gamba	1,343,508	0.96%
14	State Street Bank and Trust Comp	1,308,241	0.93%
15	UBS Switzerland AG	1,287,161	0.92%
16	The Northern Trust Comp, London Br	1,124,739	0.80%
17	The Bank of New York Mellon SA/NV	1,027,819	0.73%
18	The Bank of New York Mellon SA/NV	979,795	0.70%
19	Avanza Bank AB	920,278	0.66%
20	Verdipapirfondet KLP Aksjenorge IN	828,718	0.59%

* Shares held in Treasury

(Source: Euronext Securities)

Analyst Coverage

No.	Company	Analyst	Email
1	ABG Sundal Collier	Petter Haugen	petter.haugen@abgsc.no
2	Arctic Securities	Lars Østereng	lars.østereng@arctic.no
3	Clarksons Securities	Frode Mørkedal	frode.mørkedal@clarksons.com
4	Cleaves Securities	Peter Michael Christensen	pmc@cleaves.no
5	DNB Markets	Jørgen Lian	jorgen.lian@dnb.no
6	Fearnley Securities	Øystein Vaagen	o.vaagen@fearnleys.com
7	Kepler Cheuvreux	Anders Redigh Karlsen	akarlsen@keplercheuvreux.com
8	Pareto Securities	Eirik Haavaldsen	eirik.haavaldsen@paretosec.com
9	Skandinaviska Enskilda Banken (SEB)	Frederik Ness	frederik.ness@seb.no
10	UBS	Brian Reynolds	brian.reynolds@ubs.com

06 Sustainability

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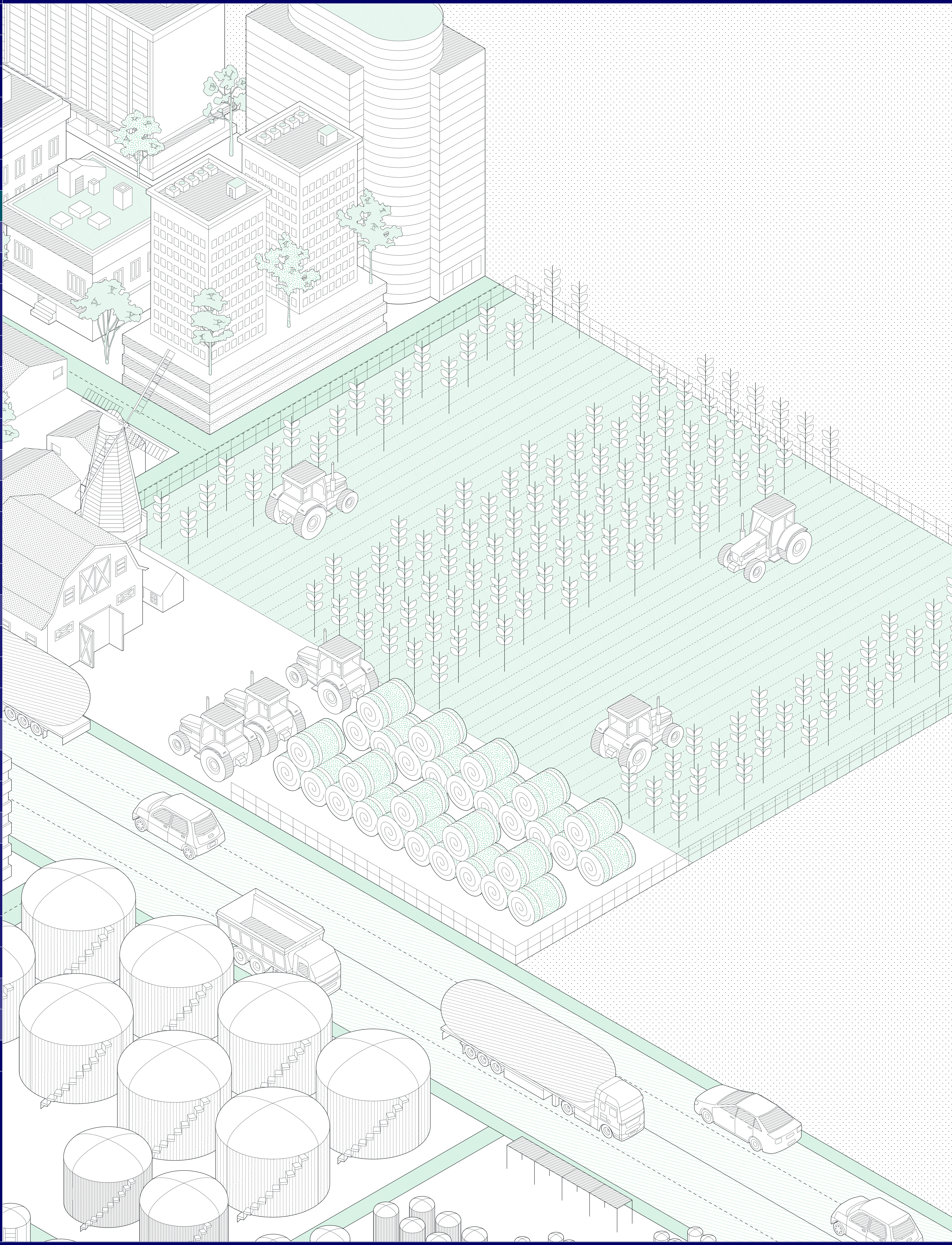

Approach

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At BW LPG, we deliver energy for a changing world, safely and sustainably. In order to do so, we must ensure that we focus on ESG issues that matter most to us and our stakeholders. We conduct double materiality assessments on a regular basis to identify these ESG issues or material topics.

These material topics guide how we operationalise our strategy (see *page 25* and our website *here*), the initiatives we organise throughout the year, and the targets we set ourselves. All these will help ensure that we build a sustainable and profitable business while ensuring energy security for communities and facilitating a just, orderly and equitable cleaner-energy transition.

Environment

Commitment

Optimise our environmental actions as a responsible maritime and energy stakeholder

Responsible Transition

Material Topic
- Climate Change

Key Targets
- By 2030, we will not have any newbuilding that cannot achieve net-zero emissions during its lifetime
- BW LPG Fleet Towards Net Zero carbon emissions by 2050

Environmental Impact Management

Material Topics
- Emissions and Energy
- Protecting Biodiversity

Key Targets
- All owned vessels to attain “C” or better rating under CII
- Average LPG dual fuel uptime above 85%
- Achieve overall net positive savings in fuel from weather routing
- 100% compliance with the Ballast Water Management convention
- 100% compliance with all MARPOL conventions
- Zero oil spills at sea
- 100% of all ship recycling projects to be done with shipyards certified to ISO 30000 and Hong Kong Convention

Social

Commitment

Protect and advance the interests of our workforce

Conducive Workplace

Material Topic
- Working Environment

Key Targets
- Diversity of nationalities, with ±15% variance in employee gender
- Zero cases of discrimination and harassment
- Zero crew, employee and contractor fatalities while at work
- Whole fleet LTIF ≤0.5, TRCF ≤1.5

Talent Management

Material Topic
- Recruitment, Development and Retention

Key Targets
- Invest in training, upgrading and upskilling programmes
- Have ≥2 interns/trainees in our industry exposure programme
- Develop opportunities to work between offices

Governance

Commitment

Uphold transparency and integrity in all business transactions

Operational Excellence

Material Topics
- Business Conduct
- Effective Management
- Supply Chain

Key Targets
- Actively promote awareness at sea and in offices for zero tolerance to bribery, facilitation payments and corruption
- Host online and onsite campaigns to promote Anti-Bribery and Anti-Corruption (ABAC) awareness
- Reinforce compliance with all applicable regulatory frameworks
- Full compliance with international maritime regulations, as well as international and regional laws
- Deliver new data management platform and select strategic projects
- Expand internal IT standards, and enhance data protection and handling capacity
- In collaboration with BW Group and BW affiliates, we will make a combined effort to contract an ESG provider platform for auditing of all suppliers

Approach

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ESG Governance Structure

Read more →

BW LPG's ESG (Environmental, Social, and Governance) governance structure is a robust framework that embodies the principles of transparency, accountability, and ethical conduct.

Our ESG Governance structure is embedded in our corporate governance structure to ensure that our organisation operates in a responsible and sustainable manner.

The Audit Committee assesses and monitors the Company's ESG strategy, supervising the initiatives taken and its effects on the business, environment, and society. The Executive Management Team is accountable for our sustainability programmes. All discussions related to our sustainability priorities and actions are reviewed by the Board of Directors who oversee how we manage our material topics as defined in our sustainability strategy.

Our ESG stewardship is guided by *industry guidelines and our corporate policies* that are integrated into our everyday operations and applies to all crew and employees, contractors, and operating assets.

1. Oversees strategies, risks, initiatives and reporting
2. Monitors strategy and reviews ESG material topics and initiatives at least annually
3. Oversight of strategic priorities, trends, regulations and identified risks to mitigate and secure opportunities that support our ESG priorities
4. Develop and execute ESG strategy, providing periodic progress reports to management on E, S and G material topics

Approach

Sustainability Standards, Frameworks and Reporting

Read more →

BW LPG supports the United Nations' (UN) Sustainable Development Goals (SDGs) which cover a wide spectrum of environment and social issues. UN SDG considerations are integrated into our investment and decision-making processes. They also influence how we respond and adapt to changes in the market and society.

The Task Force for Climate-related Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and Global Reporting Framework (GRI) form the basis of future mandatory reporting requirements such as the IFRS — International Sustainability Standards Board Standards and European Union Corporate Sustainability Reporting Directive (CSRD). To this end, we are actively performing gap analyses of our ESG practices and disclosures.

Our *ESG Index* outlines our reporting against recognised ESG standards and frameworks that guide our understanding and reporting of ESG related disclosures. Content indexes related to our disclosures for financial year ending 31 December 2023, are available in the *ESG Report*.

Crew posing in front of an LPG deck tank.

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Approach

Risk Management

Read more →

Risk management is fundamental to our decision-making process as it determines how we plan for and react to risks related to our corporate strategy, material topics, preventable incidents from operations, and unexpected events.

01 Identification

Risks are identified in the course of business operations and added into our risk universe.

Boundary

Strategic and External
Risks associated with global markets and economy, geopolitical stability, climate, decarbonisation, cyber and data security.

Regulatory Compliance
Risks associated with i) ethical behaviour of employees and third parties; ii) security of sensitive information; and iii) laws and regulations, including climate-related regulations, sanctions and anti-bribery laws.

Commercial and Operational
Risks related to events occurring during planning and execution of business operations. This includes but is not limited to cargo and asset loss or damage, counterparty default, crew injury, or environmental damage.

Financial
Risks relating to volatility of financial markets, including increase in interest rates, financial stress, counterparty risks and tax exposure.

Management

Strategic and External
Addressed by business strategies managed through company's annual strategy review.

Regulatory Compliance
Regular monitoring and mandatory awareness training, compliance reviews, legal due diligence, and internal audits.

Commercial and Operational
Control measures are incorporated in operations and insurance planning, with ongoing monitoring during execution.

Financial
Hedging exposures with financial instruments such as forex forward contracts, freight derivatives, interest rate and bunker swaps.

Responsibility

Strategic and External
The Executive Management reviews assessment of risks to ensure that the intended and actual business direction are reflected in corporate strategic planning which is presented and endorsed by the Board of Directors.

Regulatory Compliance
Internal Audit and Compliance teams assess and updates a quarterly compliance and internal audit report for presentation to the Audit Committee.

Commercial and Operational
Incidents and near misses are reviewed by business units and Management to ensure that root causes are comprehensively analysed. Suitable corrective actions are planned and implemented.

Financial
Executive Management actively manages risks with guidance and input from the Board of Directors.

Approach

02 Assessment

Risks are assessed to understand probability of occurrence and impact to business.

Every year, a comprehensive risk assessment exercise is undertaken to assess the key risks faced by BW LPG through discussions with key department heads on risks that could impact our strategic objectives. These risks are assessed based on their potential financial impact, likelihood of occurrence in the short (0 – 2 years), mid (3 – 5 years) and long (> 5 years) term, and the effectiveness of the controls in place to mitigate them.

03 Recording

Risks are documented, prioritised and assigned to impacted departments.

The findings are utilised as an input in identifying the top risks for the company, with each risk analysed with the Executive Management. Some of these top risks directly or indirectly correlate with our significant ESG topics.

04 Mitigation

Mitigation plans are prepared, translated into strategic priorities and implemented.

The adequacy of current mitigating actions are evaluated by the various business units, where gaps identified will be closed by improving measures or implementing of new measures.

05 Monitoring

Risks are monitored in the course of business and operations.

Besides this annual process, risks are regularly identified, and best practices are shared on our internal communications platforms for crew and employees to reference.

06 Reporting

Quarterly review and reporting to Board of Directors on effectiveness of risk strategies.

The results of the assessment are presented to the board as a component of the annual strategy development process where the Group's risk profile is reviewed and guidance is provided on mitigation plans to ensure sufficiency of risk management actions and controls.

Approach

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Enterprise Risk Management (ERM) Risks 2023

Top risks identified as having a potential to substantively influence our business and operations

Category	Risk Area	Climate-related Considerations	Mitigating Strategy
Macroeconomic and Market	• Risks from geopolitical tensions can impact trade and supply chains. • Challenges associated with entering new infrastructure markets. • Risks from mistiming market cycles when buying or selling assets.	• Global clean energy transition may impact LPG supply chain and LPG demand. • Global VLGC fleet size can fluctuate due to regulatory changes, shipping inefficiencies and new build orders. • Unprecedented weather changes such as unusually long droughts can add market volatility and increase counterparty exposures.	• Expand into trading and value chain assets. • Review and optimise contracts. • Improve market understanding. • Optimise operations and supply chain.
Regulatory	• Growing industry-related compliances and business regulatory demands. • We must address additional compliance requirements as we enter new markets.	• Impact from new global ESG regulations. • Onerous emissions reporting requirements. • Additional climate-related clauses in charter-hire agreements. • Increased costs from use of fossil-based bunkers due to levies and limitations. • Reduced service capacity due to slow-steaming. • Early retirement of older inefficient assets. • Increase in charter-hire charges to cover rising operational costs and investments in technology.	• Provide training and support on compliance requirements and regulatory changes. • Build IT systems that can manage regulatory changes. • Ensure accountability from all business units.

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Approach

Category	Risk Area	Climate-related Considerations	Mitigating Strategy
Human Capital	• Challenges from more complex businesses and operations, and from entry into new markets. • Loss of qualified staff to competitors.	• We need qualified staff with specialised competencies as shipping technologies evolve. • Extreme weather is a safety concern for crew. Failure to address concerns can impact operations and our licence to operate.	• Enhance our knowledge by working with external experts. • Retain talent with a positive work environment, by emphasising diversity and inclusion, and by offering competitive remuneration. • Promote collaboration.
IT and Cyber	• IT infrastructure challenges, including adapting to evolving technology and use of utilise data for compliance, risk management, and decision-making. • The increased use of artificial intelligence (AI) raises concerns about potential security challenges and cyber risks.	• Rapid technological developments can outpace our ability to harness new information, resulting in inefficiencies and non-compliance with regulations. • Equipment may have to be retired prematurely, causing waste and incurring higher capital expenditure. • We must be assured of data integrity and competence with new reporting requirements.	• Optimise and improve data input processes by streamlining and digitalising operations. • Bolster in-house IT expertise to improve systems and data management. • Conduct routine IT controls and security testing, and provide training to foster awareness of cybersecurity measures and use of AI.
Financial	• Higher trading volumes can increase earnings volatility. • Unpredictable market fluctuations can impact profitability.	• Capital lenders may reduce financing and investments in shipping in favour of non-fossil based sectors. • Higher liquidity risk exposure and potential of downward asset repricing. • Increased cost of borrowing from declining investor base, and failure to comply with sustainability benchmarks.	• Conduct daily reviews and monitor positions to guarantee the availability of an adequate liquidity buffer and compliance with risk limits. • Perform stress tests to assess potential financial impacts, considering base and worst-case scenarios.

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Approach

Materiality

Read more →

We prioritise our ESG topics based on a four-step double materiality approach, and we are guided by global reporting standards and frameworks as well as stakeholder input. This approach enables us to identify, address, and report on matters where BW LPG may significantly impact society and the environment, and where these issues may present risks or opportunities to our business.

1 Input

Stakeholder Survey and Engagement + Enterprise Risk Assessment

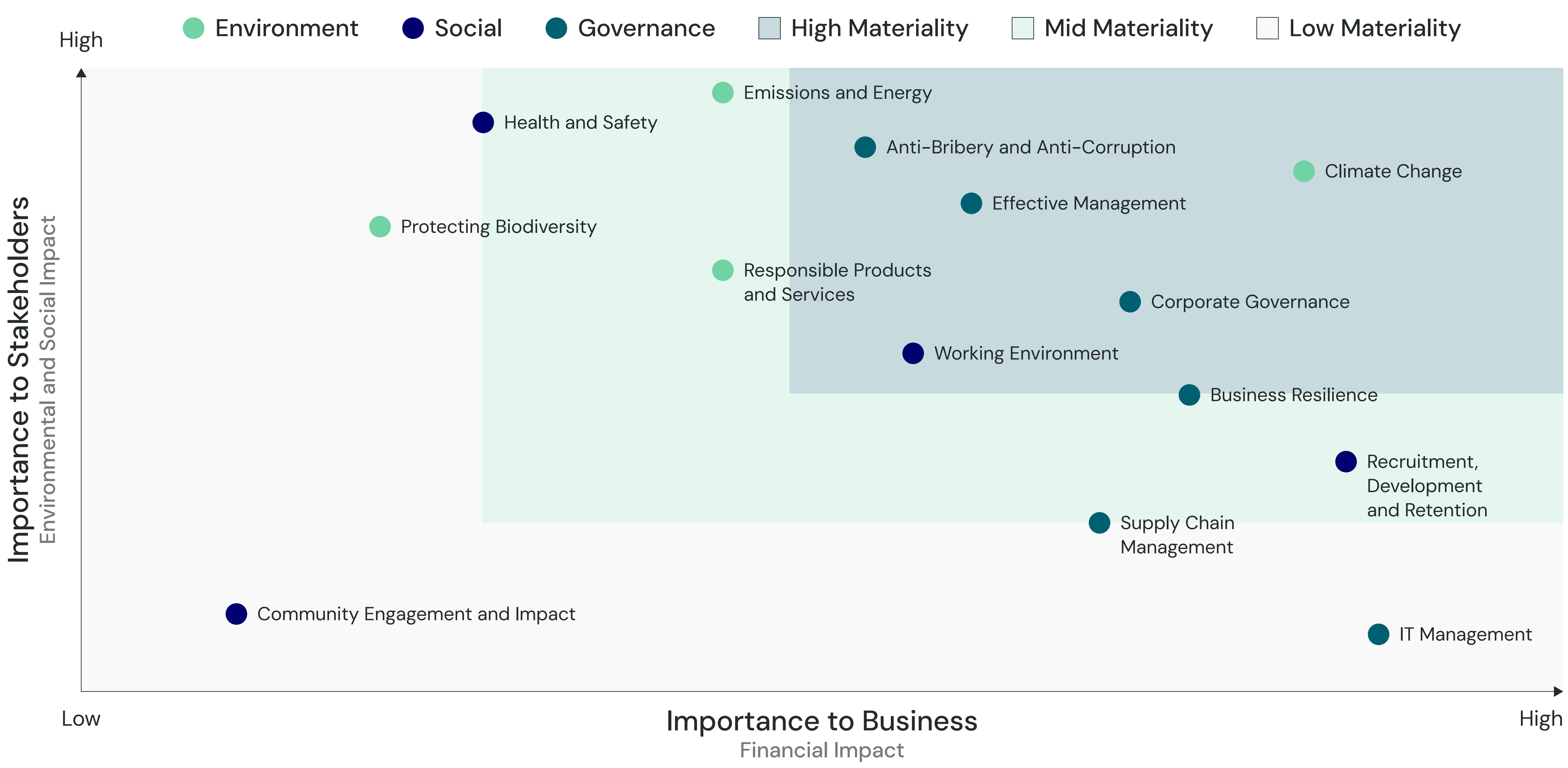
2 Assessment

Environmental and Social Impact	Business (Financial) Impact
Input and feedback were collected to understand the concerns and impacts of ESG topics from key stakeholders' perspective: • Investors • Lenders • Customers • Crew and Employees • Suppliers • Other (Auditors + Marine Community)	All business units assessed the risks and opportunities faced by BW LPG in the short, medium and long term. Combining the annual enterprise risk management process with the stakeholder materiality assessment ensures congruency between business aspirations and ESG.

3 Validation

Cross referenced with industry and market trends, regulations, ESG ratings and recognised frameworks/standards.	Validation by BW LPG Executive Management.

4 Results — Identification of Material Issues to Prioritise



Approach

ESG Topics

Explanation of identified material topics and issues.

Topic	Description
Anti-Bribery and Anti-Corruption	Activities that inhibit or oppose bribery or corruption in the operations of a company
Business Resilience	Ensure a sustainable business model with adequate measures to support future-proofing the company
Climate Change	Strategy for a just transition, innovation, and management of climate change issues
Community Engagement and Impact	Management of effects on local communities
Corporate Governance	High standards of reporting and governance structures
Emissions and Energy	Manage energy efficiency and fuel consumption, greenhouse gas and toxic emissions
Health and Safety	Health, safety and welfare assurance for onshore staff, crew and contractors
IT Management	Manage internal systems and data
Operational Excellence	Provide high levels of service and maintain good relationship
Protecting Biodiversity	Impact of business operations on biodiversity
Recruitment, Development and Retention	Provide growth opportunities, training and fair workplace packages
Responsible Products and Services	Alternative service offerings that will benefit society and the environment
Supply Chain Management	Manage third-party sustainability related issues and product sourcing
Working Environment	Ensure an equitable, diverse and inclusive workplace that respects human rights

The 2023 double materiality assessment identified eight material topics for BW LPG. These topics are elaborated and updated regularly on our *website*.

Upon review by the Executive Management, the material topics were presented to and endorsed by the Audit Committee and directionally supported by the Board of Directors.

More details on governance over our ESG material topics is available on *sustainability strategy and governance*. For each material topic, action plans and targets are set with policies and clear governance structure put in place to ensure accountability.

Environment

Responsible Transition

To commit to decarbonisation is to commit to a sea change in how we operate. At BW LPG, we are walking the talk — planning a long-term roadmap that not only protects the interests of our shareholders, but also positions us to seize opportunities from the global clean energy transition.

UN SDG

Goal 7: Affordable and Clean Energy

Goal 13: Climate Action

Stakeholders

Crew, Employees, Customers, Suppliers, Lenders, Government, Regulators

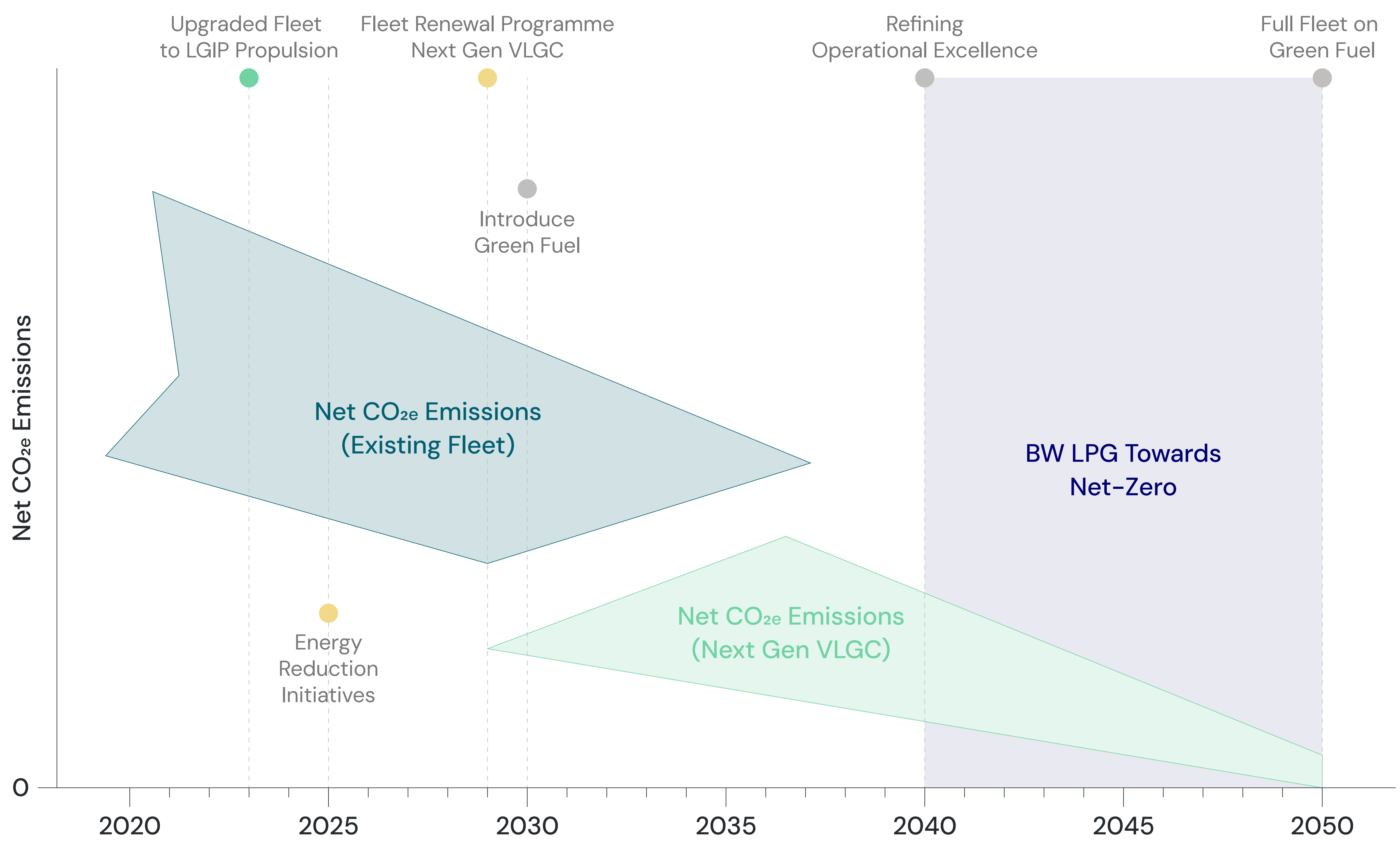
Material Topic

Climate Change

Read more →

We are committed to a proactive climate management strategy, addressing risks from extreme weather events in our operations and supply chain. Through advanced risk assessments, we fortify operations, prioritise asset resilience with sustainable practices, integrating climate considerations into investment decisions. With shipping at the core of our business activities, the Decarbonisation Roadmap sets out milestone targets and initiatives we are working towards for our fleet.

Decarbonisation Roadmap



Environment

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Material Topic

Climate Change

Read more →

Actions

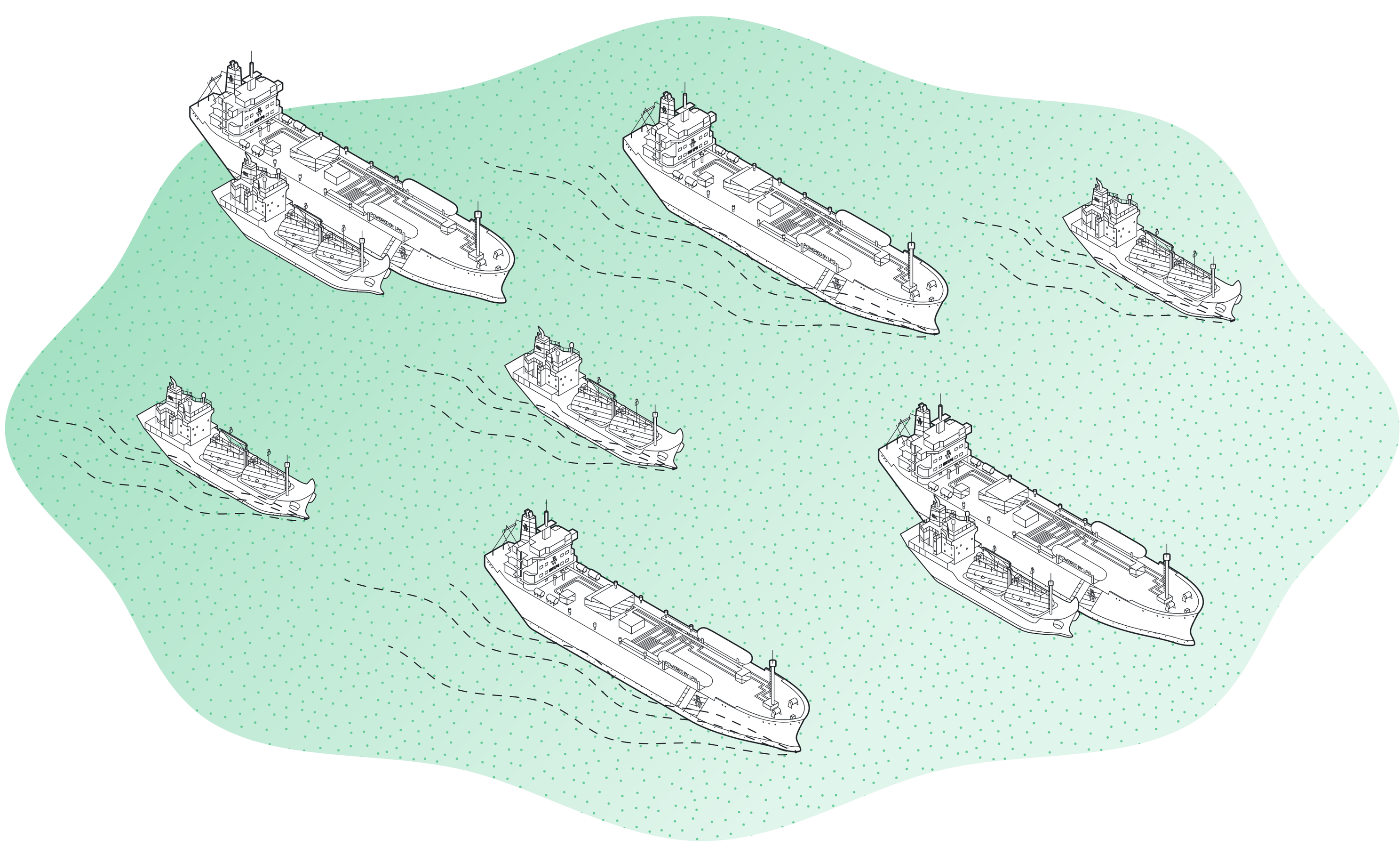
- Climate Change Management
- Decarbonisation Transition Plan

2023 Targets

- Commitment to achieve IMO's Initial GHG emission reduction goals
- By 2030, we will not have any newbuilding that cannot achieve net-zero emissions during its lifetime

Progress

- Revised the company's decarbonisation roadmap to incorporate concrete milestones, aligning to the revised IMO 2023 GHG strategy
- Established an Ammonia Task Force to explore potential opportunities in the segment for next generation VLGCs and commercial opportunities
- Continued to explore investment opportunities in new technology and alternative fuels for net-zero emissions



2024 Targets

- By 2030, we will not have any newbuilding that cannot achieve net-zero emissions during its lifetime
- BW LPG Fleet Towards Net Zero carbon emissions by 2050

Read More

Policies and Guidelines →
Sustainability Strategy and Governance →
Risk Management →

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Environment

Environmental Impact Management

As we deliver LPG to world markets, we work hard to reduce direct and indirect greenhouse gas emissions from operations. This way, we are supporting the global clean-energy transition in a way that is sustainable for the planet.

UN SDG

Goal 13: Climate Action

Goal 14: Life Below Water

Goal 15: Life on Land

Stakeholders

Crew, Employees, Customers, Suppliers, Lenders, Government, Regulators

Material Topic

Emissions and Energy

Read more →

A responsible transition starts with our actions now. Reducing emissions and increasing energy efficiency of our current business activities and assets contribute to the success of our long-term goal to decarbonise.

Practical and operational energy management initiatives, combined with investments to upgrade and digitalise our fleet — which included the pioneering move to retrofit 15 of our VLGCs with LPG dual-fuel propulsion technology — are helping to reduce our footprint in phases.

We remain committed to our near-term emission goals. Following the sale of some vessels within our fleet, we have updated our short-term emission goals to align with the current owned and India fleet. Further updates on our progress will be available after verification with class is completed as part of the IMO Data Collection System (DCS) and EU Monitoring, Reporting and Verification (MRV) process.

Short-term Emission Targets

Carbon Intensity Indicator (CII) Target*

* Aligned with IMO GHG CII Targets Against 2019 Baseline

	2023	2024	2025	2026
Carbon	7.16	7.01	6.85	6.70
	5 % ↓	7 % ↓	9 % ↓	11 % ↓

Long-term Emission Targets

BW LPG Fleet Towards Net-Zero Carbon Emissions

Environment

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Material Topic

Emissions and Energy

Read more →

Actions

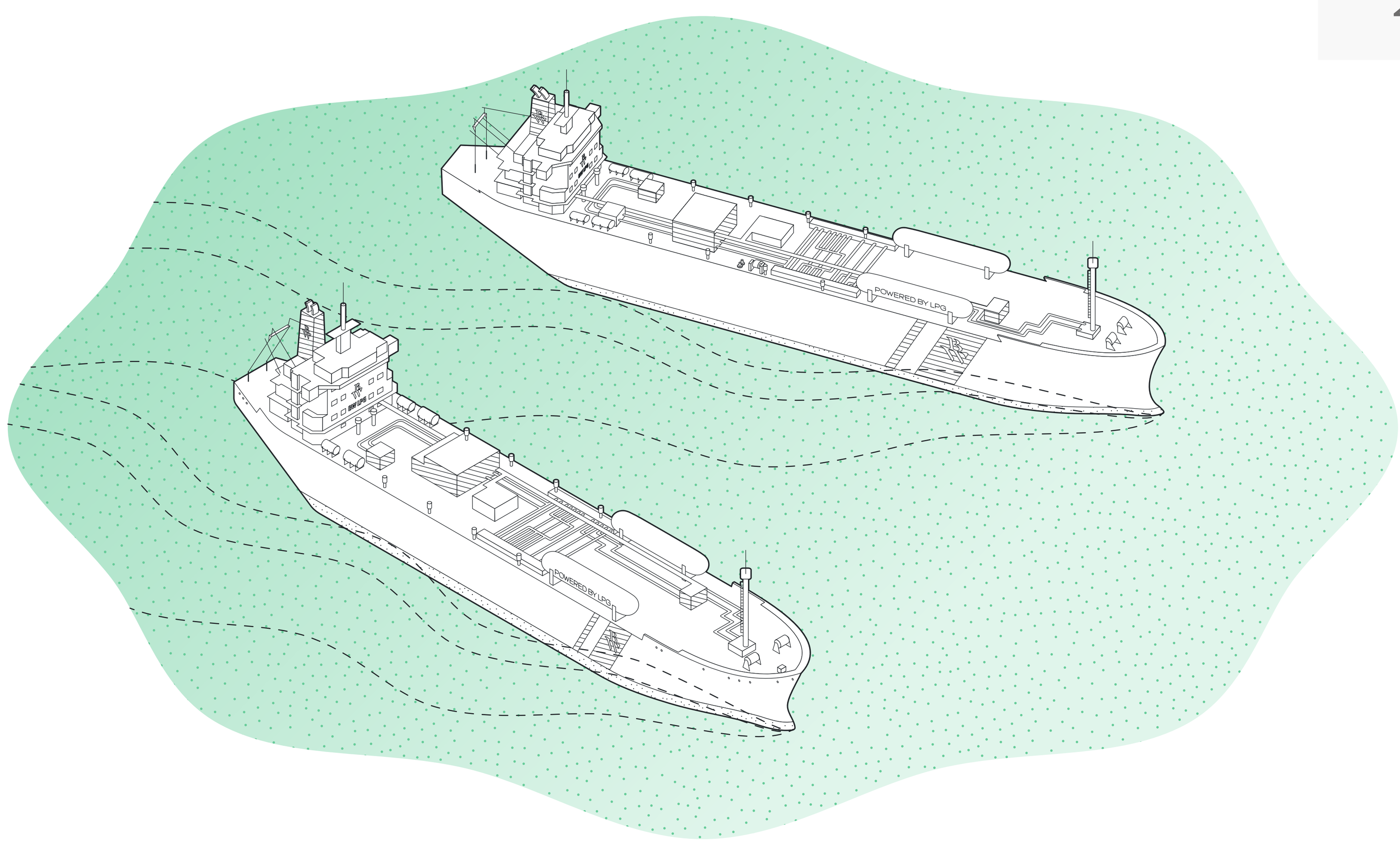
- Energy Management
- GHG and Toxic Emission Management

2023 Targets

- Fleet in compliance with EEXI requirements
- Fleet to have a CII rating of "C" or better

Progress

- Received approval for all vessel EEXI technical files
- Overall fleet carbon intensity achieved C rating
- Continued optimisation and operation of our LPG-propulsion vessels to limit our emission footprint
- Use of LPG as bunker fuel translates into >US$11 million in fuel savings and ~28,800 tonnes reduction in CO_{2e} emissions
- LPG-dual fuel use uptime steadily increased within the year as we increase our target by 3.2% for 2024 compared to 2023
- Enhanced IT capabilities to support new emissions related compliance requirements (CII, EU ETS and FuelEU Maritime)
- Achieved overall 2,535 MT of bunker savings over 278 voyages through weather routing



2024 Targets

- All owned vessels to attain "C" or better rating under CII
- Average LPG dual fuel uptime above 85%
- Achieve overall net positive savings in fuel from weather routing

Read More

Policies and Guidelines → Sustainability Strategy and Governance → Risk Management →

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Environment

Material Topic

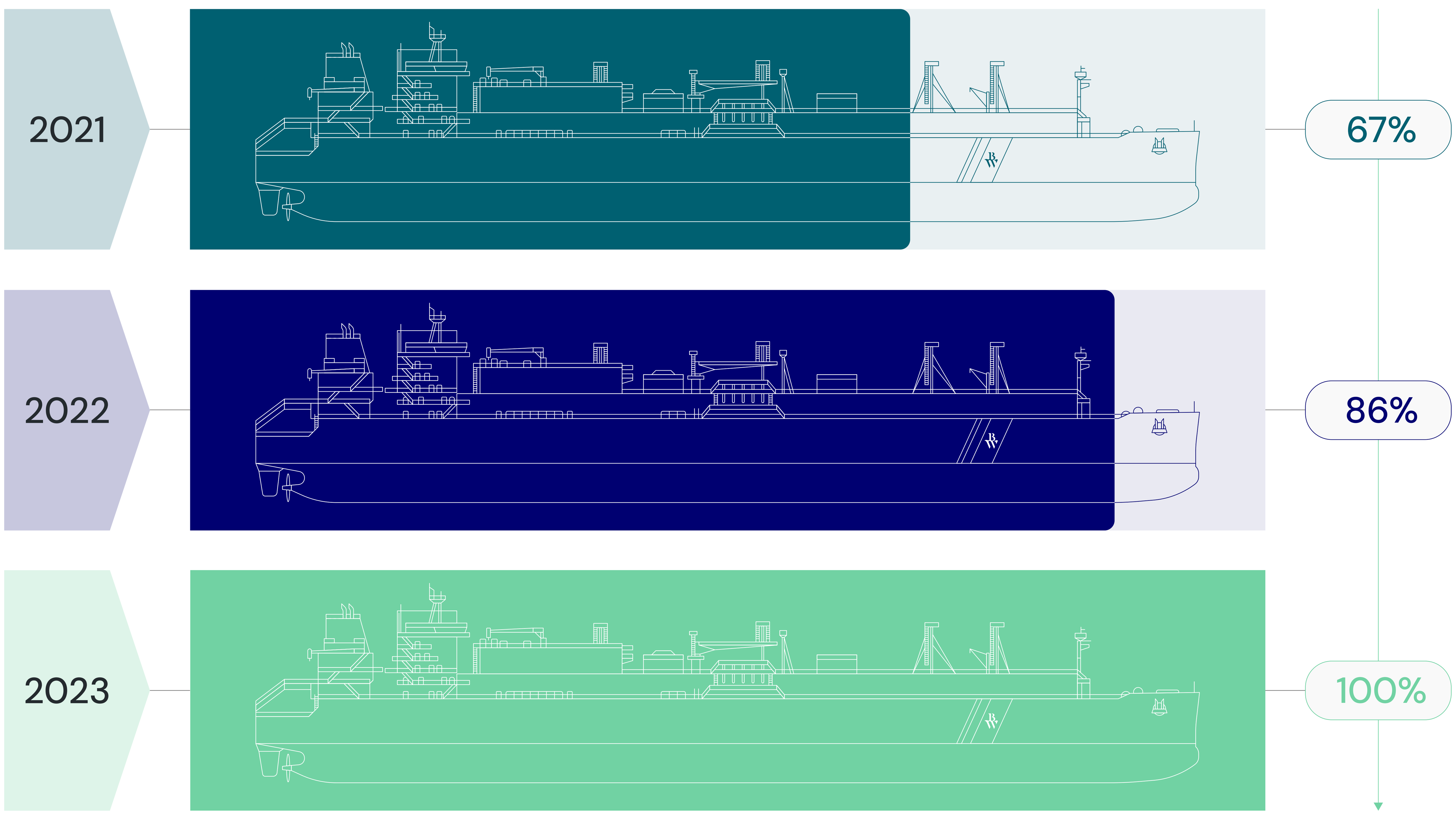
Protecting Biodiversity

Read more →

The oceans connect our markets. As we deliver cleaner-burning energy around the world, we must do so in ways that minimise the impact of our operations on marine biodiversity. We completed the installation of ballast water treatment systems on our Owned and India vessels in 2023.

Ship recycling is a fundamental part of the shipping value chain. At the end of a vessel's commercially viable life, shipowners have a responsibility to ensure that it is recycled responsibly and in a manner that minimises impact to human health and the environment.

Ballast Water Management (% of fleet having implemented Ballast Water Treatment)



Environment

Material Topic

Protecting Biodiversity

Read more →

Actions

Water Management

Waste Management

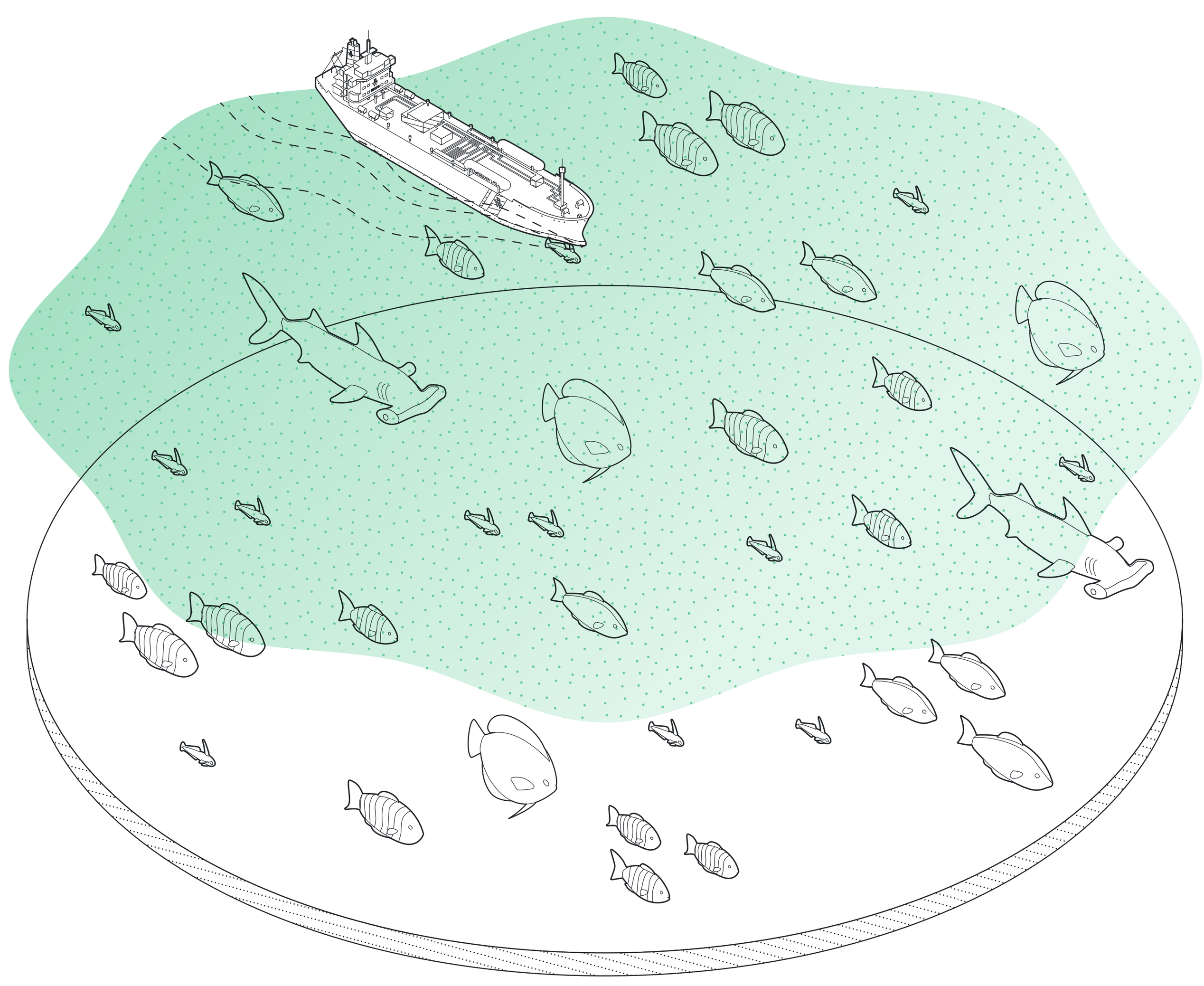
2023 Targets

Water Management:
- 100% compliance with the Ballast Water Management Convention
- Completed Ballast Water treatment system installation / upgrade on all owned and BW LPG India fleet by end 2023

Waste Management:
- 100% compliance with all MARPOL conventions.
- Zero oil spills
- 100% of all ship recycling projects to be done with shipyards that operate in compliance with the Hong Kong Convention and certified to ISO 30000

Progress

- 100% of owned and operated vessels installed/ upgraded ballast water treatment systems for treatment of invasive species during ballast operations
- Full compliance with the Ballast Water Management Convention and MARPOL conventions
- Zero oil spills
- No vessels were recycled in 2023



2024 Targets

- 100% compliance with the Ballast Water Management convention
- 100% compliance with all MARPOL conventions
- Zero spills of oil at sea
- 100% of all ship recycling projects to be done with shipyards certified to ISO 30000 and Hong Kong Convention

Read More

Policies and Guidelines → Sustainability Strategy and Governance → Risk Management →

Environment

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Highlights

Ensuring full compliance with new environmental regulatory requirements

In 2023, the team was focused on ensuring full compliance with new regulatory requirements related to the Carbon Intensity Indicator (CII) and the European Union Emissions Trading System (EU ETS).

CII is a measure of a ship's energy efficiency and is calculated in terms of grams of Carbon Dioxide emitted per cargo-carrying capacity and nautical mile. 2024 is the first year ship owners attain annual operational CII verification for their vessels, for operations in 2023. Based on their 2023 performance, vessels will receive an environmental rating ranging from A-E. These rating thresholds will become increasingly stringent towards 2030.

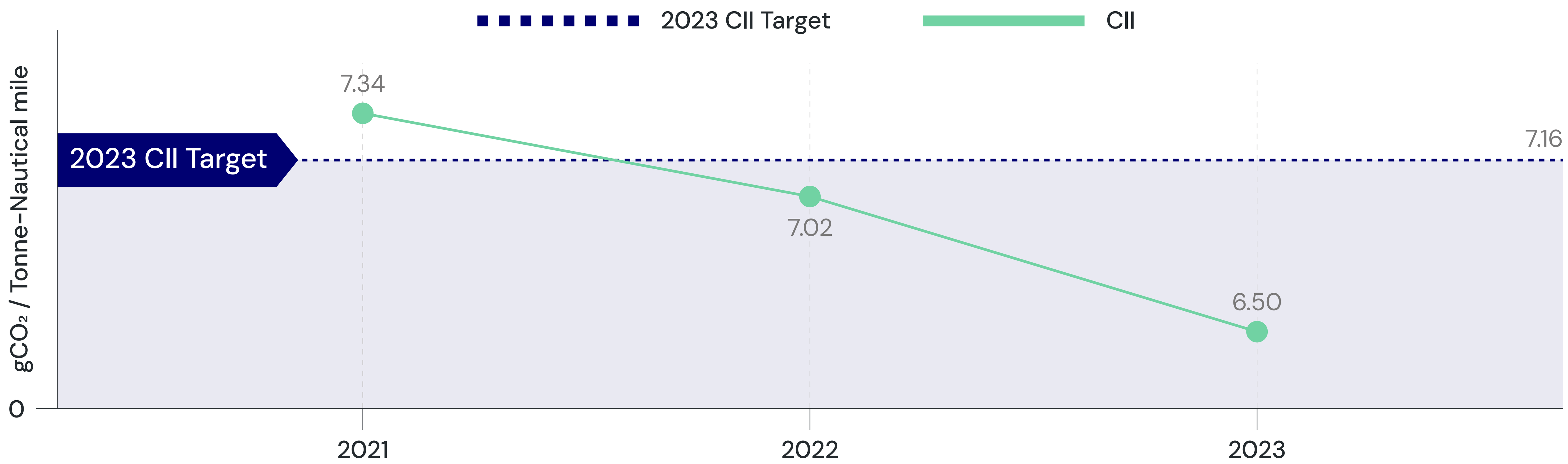
The EU ETS is a cornerstone of the EU's policy to combat climate change and its key tool for reducing GHG emissions. It is an emissions cap-and-trade system which sets a cap on GHG emissions industries, and shipping as a sector is included from 2024. The EU ETS will initially cover carbon emissions and will expand to cover methane and nitrous oxide from 2026.

BW LPG has established a task force to oversee the implementation of internal workstreams to prepare for EU ETS compliance including the procurement and surrendering of allowances.

Both the CII and EU ETS have far-ranging impact on how we conduct business. Commercial contracts must be revisited, we must review how we optimise voyage performance as a balance between emissions and commercial impact, and we must allocate resources to ensure we have systems in place to manage reporting requirements.

Over the year, we reduced our GHG emissions by 6% against 2019 baseline. We reduced our CII for our owned and India fleet, where we have full operational and technical control. Our indicative CII remains below our 2023 CII target as we progress our fleet renewal programme and energy efficiency initiatives. Examples of such initiatives include LPG propulsion, voyage optimisation via weather routing, slow steaming, hull and propeller cleaning, and Just-in-Time arrivals.

Carbon Intensity Index (CII)
(Owned and India fleet)



Read More

LPG propulsion and its benefits →

Environment

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How to handle waste and hazardous materials

As we deliver cleaner-burning energy around the world, we must do so in ways that minimise the impact from operations on the environment. Following international environment-related treaties in our daily work ensure we manage waste and hazardous materials onboard appropriately.

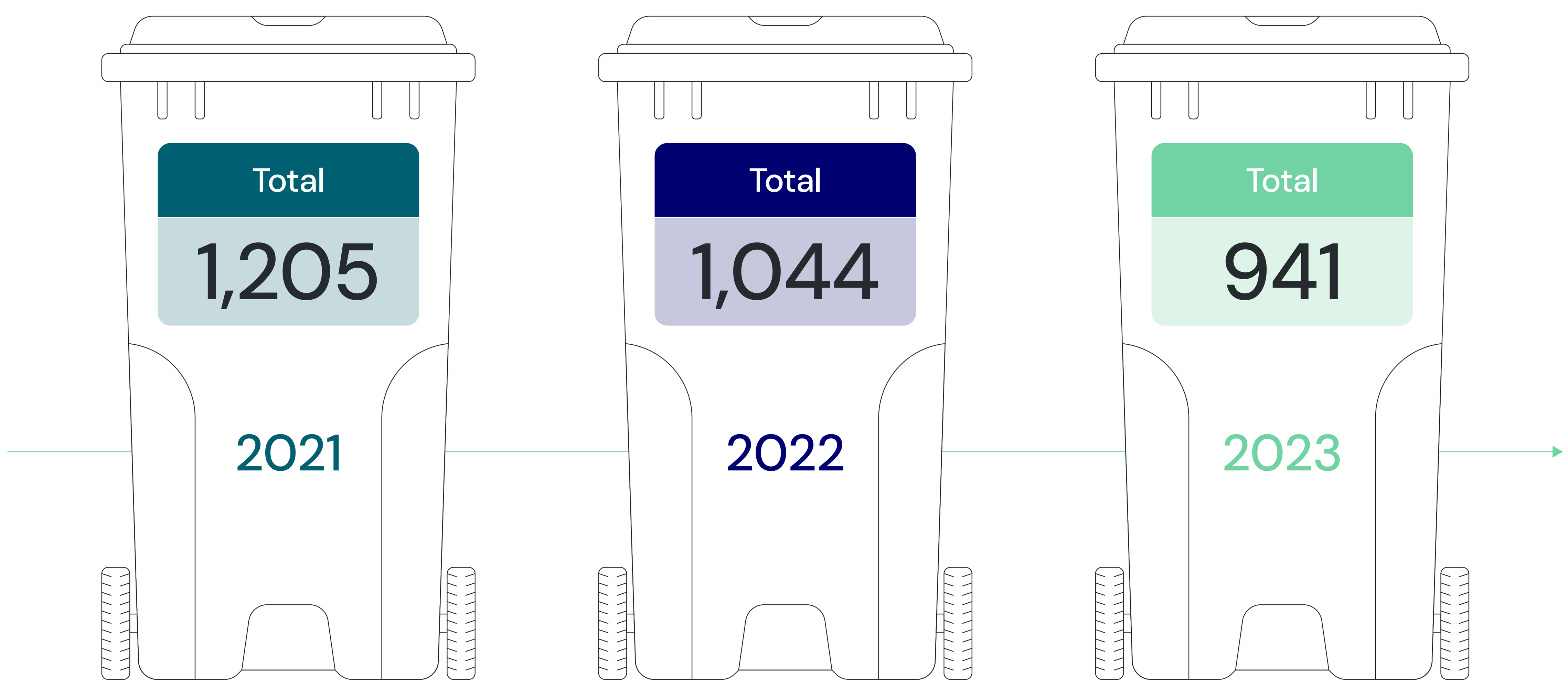
Garbage from ships can be just as deadly to marine life as oil or chemicals. Vessels are instructed to strictly adhere to MARPOL Annex V guidelines in the treatment of garbage onboard. Our waste management policy requires separation, collection, storage and disposal of vessels' waste. Bilge water, grey water and sewage are also treated with systems onboard before they are properly disposed.

Throughout the year, our minimising food waste and plastics return campaign raises awareness of the impact of excessive waste and provide recommendations on how to further improve practices onboard. Vessels maintain a Garbage Management Plan and a Garbage Record Book and crew are also encouraged to suggest ideas on how we can reduce waste.

Since 2020, we have pledged our support for the IMPA SAVE Council for Maritime Supply Chain Sustainability, an international coalition working to ensure sustainability in maritime supply chains, to reduce the use of single-use plastics onboard our vessels, thus reducing the amount of garbage generated.

As a company we ensure compliance with all environmental-related regulations. Beyond compliance, our onboard initiatives have proved effective as we reduced the amount of waste disposed ashore on our owned and India vessels between 2021 and 2023.

Waste Landed Ashore (m³)



Social

Conducive Workplace

We focus on our people as we run our business well and reduce our impact on the environment. This is because our dedicated and experienced colleagues are our greatest competitive advantage. At BW LPG, we are powered by LPG, and we are powered by people. We aim to provide a workplace that is inclusive, safe and respectful of the diverse backgrounds and talents that make up our workforce.
We will also continue to engage employees with internal programmes and initiatives that is relevant and meaningful.

UN SDG

Goal 3: Good Health and Well-being

Goal 5: Gender Equality

Goal 10: Reduced Inequalities

Stakeholders

Crew, Employees, Suppliers

Material Topic

Working Environment

Read more →

Our Zero Harm Programme protects the health and safety of crew, employees and contractors. Encouraging a culture of continuous training and sharing of best practices allow us to offer industry leading services and innovative solutions for our customers. We foster a company culture that is inclusive and respectful of human rights, labour rights, diversity and skills in our workforce and supply chain.

LTIF (Lost Time Injury Frequency)

0.16

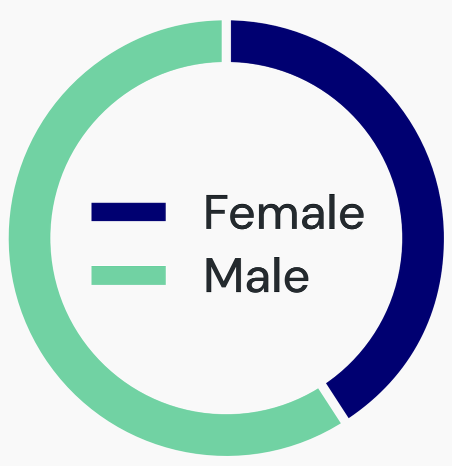
Target: ≤0.5

TRCF (Total Recordable Case Frequency)

0.16

Target: ≤1.5

Shore Employee Diversity



♀ 41 %

♂ 59 %

17 Nationalities Represented

Social

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Material Topic

Working Environment

Read more →

Actions

- Health and Safety
- Human and Labour Rights
- Diversity, Inclusion and Belonging

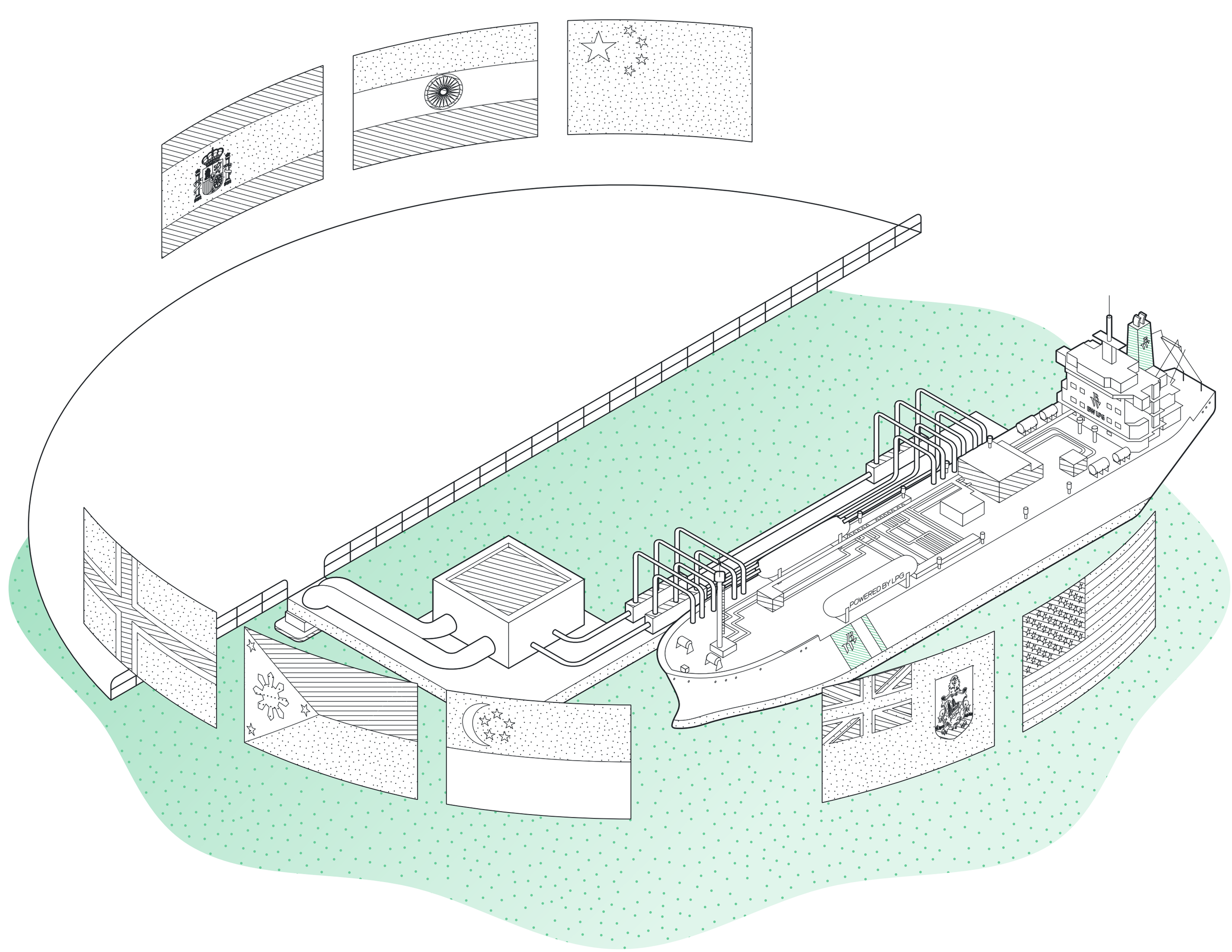
2023 Targets

- Zero crew and contractor fatalities at sea and on shore while at work
- Lost Time Injury Frequency ≤0.5
- Total Recordable Case Frequency ≤1.5

- Diversity of nationalities with ±15% variance in gender

Progress

- Zero employee, crew and contractor fatalities
- Lost Time Injury Frequency: 0.16
- Total Recordable Case Frequency: 0.16
- Successfully rolled out the Safer Together Programme — a new health and safety initiative
- Continuation of HiLo analyses, trainings, audits, safety briefings and drills
- 100% installation of Starlink on internally managed vessels to improve ship-shore communication
- Established a Working Environment Committee in collaboration with BW Group to assess work environments
- Zero cases of discrimination and harassment
- Female (41%) : Male (59%) diversity ratio and 17 nationalities
- Attained 93% participation and 81% satisfaction result on Employee Pulse survey



2024 Targets

- Diversity of nationalities, with ±15% variance in employee gender
- Zero cases of discrimination and harassment
- Zero crew, employee and contractor fatalities while at work
- Whole fleet LTIF ≤0.5 and TRCF ≤1.5

Read More

Policies and Guidelines → Sustainability Strategy and Governance → Risk Management →

Social

Talent Management

We strive to build a culture of entrepreneurship, emphasising a growth mindset and a trusting environment to encourage our people to adapt to change and cultivate new skills. We depend on their motivation to fuel innovation, enhance productivity, and drive continuous improvement.

UN SDG

Goal 4: Quality Education

Goal 8: Decent Work and Economic Growth

Stakeholders

Crew, Employees

Material Topic

Recruitment, Development and Retention

Read more →

Recruitment

We engage with external institutions who nurture the industry's talent pipeline. We participate in tertiary recruitment events, offer scholarships and provide work placement opportunities to attract and grow our talent pool.

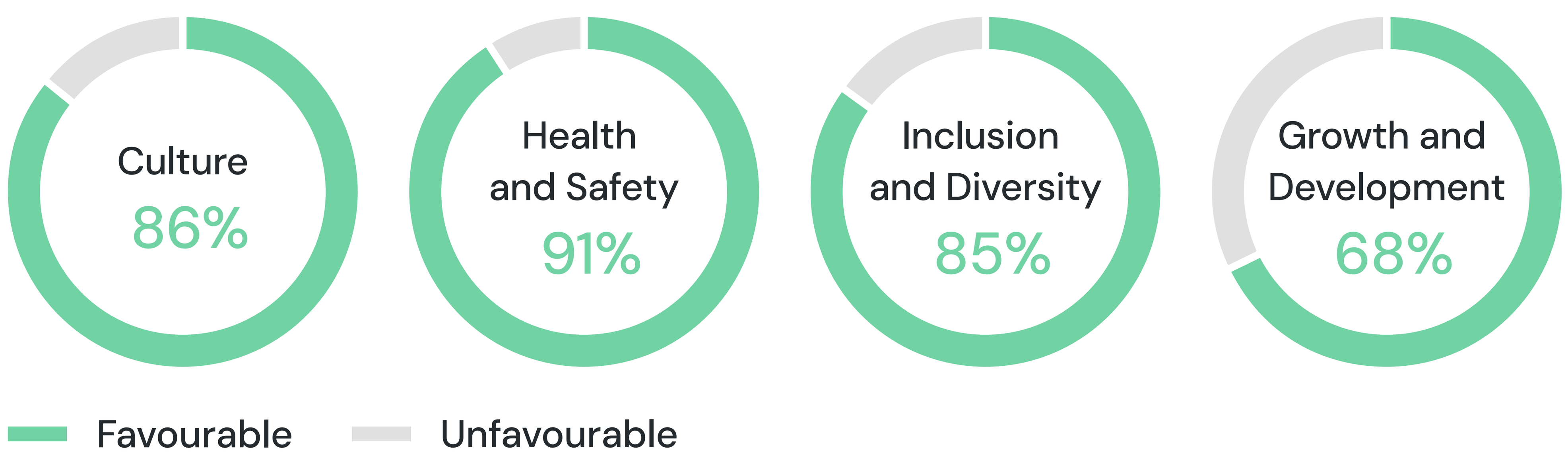
Development

When we invest in employees, through upskilling, opportunities for career progression and professional development, we see extensions of tenure. Learning empowers employees to welcome change, acquire new skills, and enhance overall performance. Our development initiatives offer avenues for both upskilling and reskilling. Upskilling seeks to elevate employees' existing skills and capabilities to progress in their current or a comparable role, while reskilling equips them to undertake new responsibilities within the company.

Retention

BW LPG has in place initiatives and programmes to promote employee work-life balance, health and mental wellness. Retaining employees is crucial to ensure continuity of expertise and the company's long-term success and growth.

Employee Pulse Survey 2023



We conduct an anonymous Employee Pulse Survey annually. The Executive Management identifies areas of improvement and discuss next steps before communicating the results to the company during our town hall.

Social

Material Topic

Recruitment, Development and Retention

Read more →

Actions

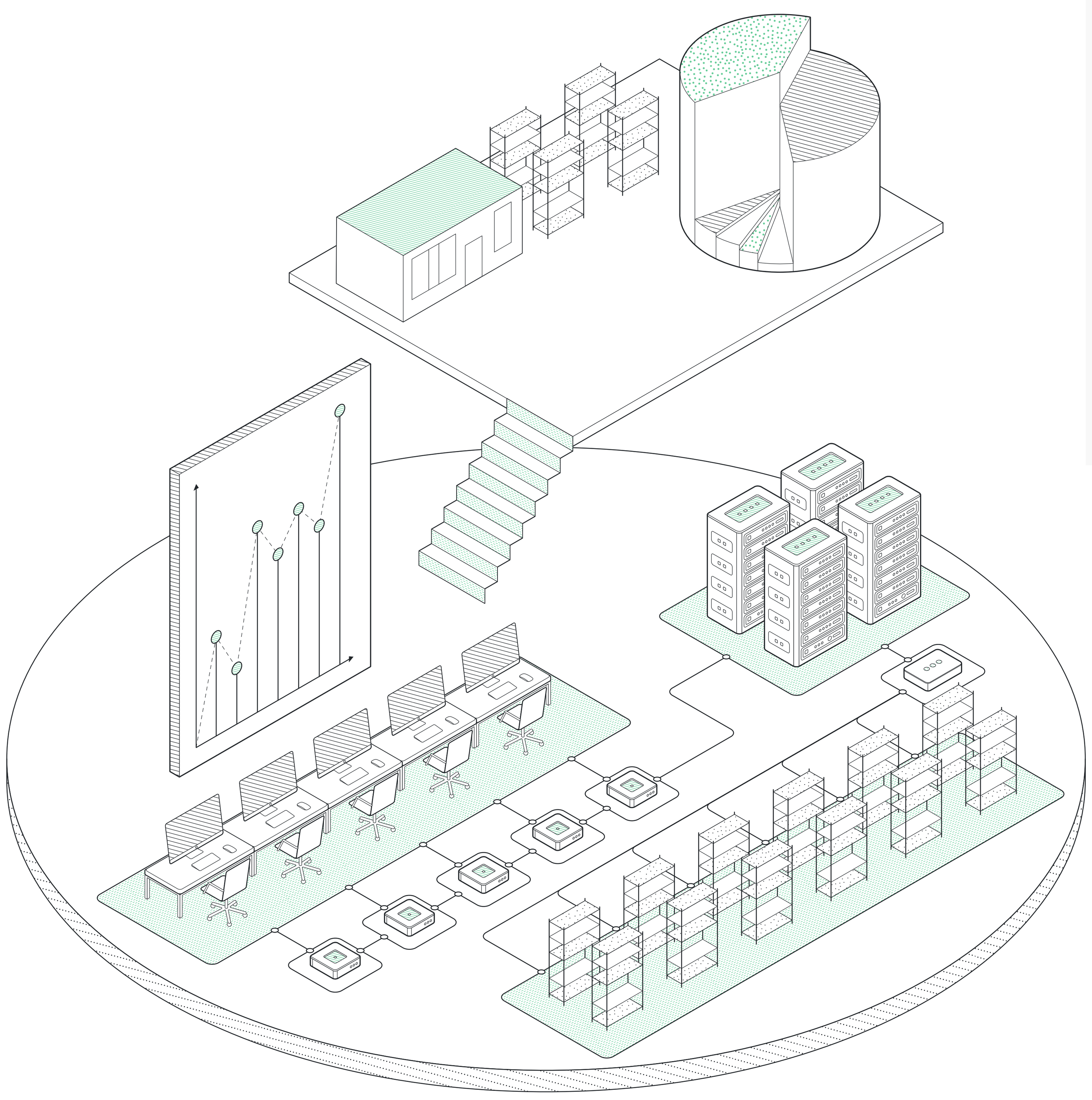
- Human Capital Management
- Welfare and Benefits

2023 Targets

- Investment into training, upgrading and upskilling programmes
- Have interns / trainees in our industry exposure programme to encourage and groom maritime talent

Progress

- BW recognised by Forbes in the Top 500 World's Best Employers 2023
- Collaborated with BW Group in a talent management initiative to have a common platform to offer opportunities to all BW colleagues
- Participated in school outreach programmes at tertiary education centres and hosted a physical engagement session with students with the larger BW Group
- 36 shore colleagues attended training programmes to build their soft skills
- 2 interns/trainees in our industry exposure programme



2024 Targets

- Investment into training, upgrading and upskilling programmes
- Have interns/trainees in our industry exposure programme to encourage and groom maritime talent
- Develop opportunities to work between offices and enhance collaboration

Read More

Policies and Guidelines →
Sustainability Strategy and Governance →
Risk Management →

Social

Highlights

Safer Together, Zero Harm

In 2023, we introduced a new safety campaign to ensure continued focus on our safety vision of Zero Harm. Summarised as "Safer Together", the campaign structured how we worked towards our vision of Zero Harm to people, the environment, and our vessels over the year.

Four safety topics were discussed, following a quarterly cadence and using familiar safety tools. We kicked off the year with discussions around teamwork and leadership. In the second quarter, we reminded colleagues that we care, and showed the many ways this care is manifested. We also focused on psychological safety at work and emphasised that mental health is just as important as physical health onboard at the workplace. In the third quarter, we learnt how to manage risks and hazards with barriers, and reviewed strategies on how to keep safe. In the final quarter of the campaign, we emphasised that it is normal to make mistakes, and a culture of transparency helps us to learn, improve, and grow our reputation and relationships.

With a collaborative and open environment onboard where everyone feels safe to speak up, we will improve our overall performance and be safer together. We are safe because we dare to speak about errors, not because we do not have them. We want to talk about work done, both good and otherwise, without judgement. Good work allows for well-deserved acknowledgement, and all others are opportunities to learn and improve. In 2023, our LTIF and TRCF were both 0.16, well within our target of 0.5 and 1.5 respectively.

Drills are an important part of emergency preparedness onboard vessels. Image courtesy of Onboard Trainer Szymon Sabkowski, conducting training on BW Var.

Read More

Safer Together Campaign →

Diversity, Inclusion and Belonging →

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Governance

Operational Excellence

We want to be our customers' first choice for LPG shipping and we take pride in offering industry-leading customer service and operational excellence. Adapting to our changing world requires an understanding that success as a company must be defined by more than the bottom line. By embedding sustainability into our business strategy and operations, we will not only achieve good financial results while incorporating environmental and social considerations, but also ensure long-term sustainability of our business and operations.

UN SDG

Goal 8: Decent Work and Economic Growth

Goal 16: Peace, Justice and Strong Institutions

Goal 17: Partnerships for the Goals

Stakeholders

Crew, Employees, Customers, Suppliers, Investors, Lenders

Material Topic

Business Conduct

Read more →

At BW LPG, we guard the trust given to us by our stakeholders through our corporate governance structure that monitors our procedures and practices. Beyond compliance, we ensure strict internal governance and follow established gatekeeping procedures when we debate strategic business decisions.

MACN
MARITIME ANTI-CORRUPTION NETWORK

We are a member of the Maritime Anti-Corruption Network, a global industry initiative aimed at eliminating bribery and corruption in shipping.

Governance

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Material Topic

Business Conduct

Read more →

Actions

Transparent Corporate Governance

Anti-Bribery and Anti-Corruption

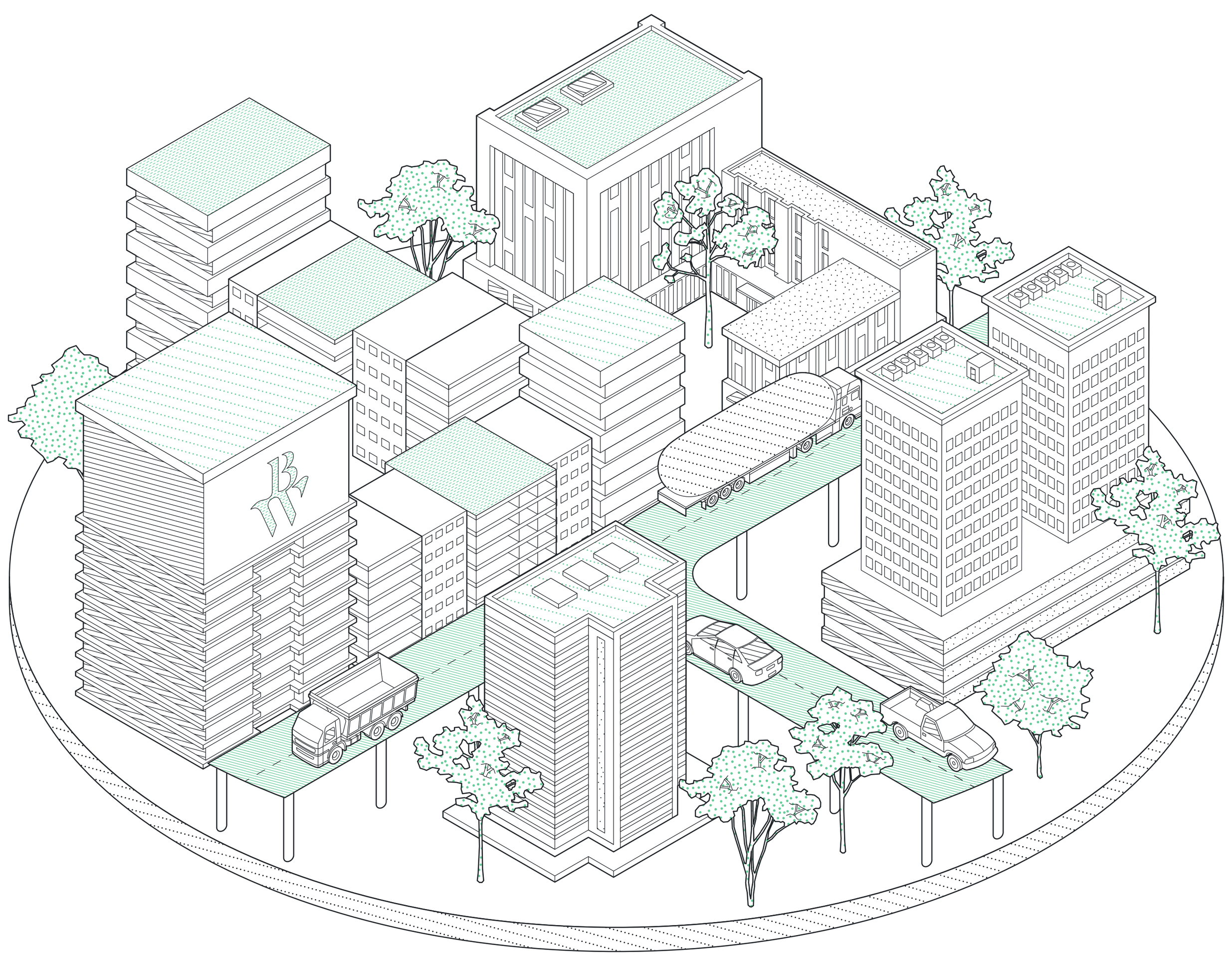
2023 Targets

Transparent Corporate Governance:
- At least one event to raise awareness of latest developments in areas of operation
- Continue to monitor and improve shore to ship communications to support our crew

Anti-Bribery and Anti-Corruption:
- Full compliance with laws and regulations
- Enhance Anti-Bribery and Anti-Corruption (ABAC) communication to all crew and employees through updated trainings

Progress

- Full compliance with laws and regulations
- Zero facilitation payments made and no monetary loss as a result of legal proceedings
- Raised awareness through 2 Senior Officers Conference
- MACN physical information session conducted in Singapore for colleagues in technical and operations
- Completed installation of Starlink to enhance ship-shore communication
- No reported cases of misconduct in 2023
- No political contributions in the past 3 years
- The Group was not involved in any legal proceedings associated with anti-competition practices and had no reported cases of misconduct in 2023



2024 Targets

- Actively promote awareness at sea and in offices for zero tolerance to Bribery, facilitation and corruption
- Host online and onsite campaigns to promote ABAC awareness
- Full compliance with international maritime regulations, as well as international and regional laws

Read More

Policies and Guidelines → Sustainability Strategy and Governance → Risk Management →

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Governance

Material Topic

Effective Management

Read more →

We want to ensure our strategic investments are effectively managed by setting up adequate internal processes and contingency plans, and investing in IT to maximise efficiency in our operations. Strong core operations and management enable us to take advantage of business opportunities to generate value for our shareholders, customers, and society at large.

Material Topic

Supply Chain

Read more →

Our relationships with suppliers are fundamental to our business success. As we conduct our business with high standards, we also set high standards for our suppliers. By working together with our suppliers to improve their sustainability practices, collectively we can play our part in supporting the United Nations Sustainable Development Goals.

Crew receiving victuals onboard.

Governance

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Material Topic

Effective Management

Read more →

Actions

- Quality Management
- IT Management
- Economic Performance

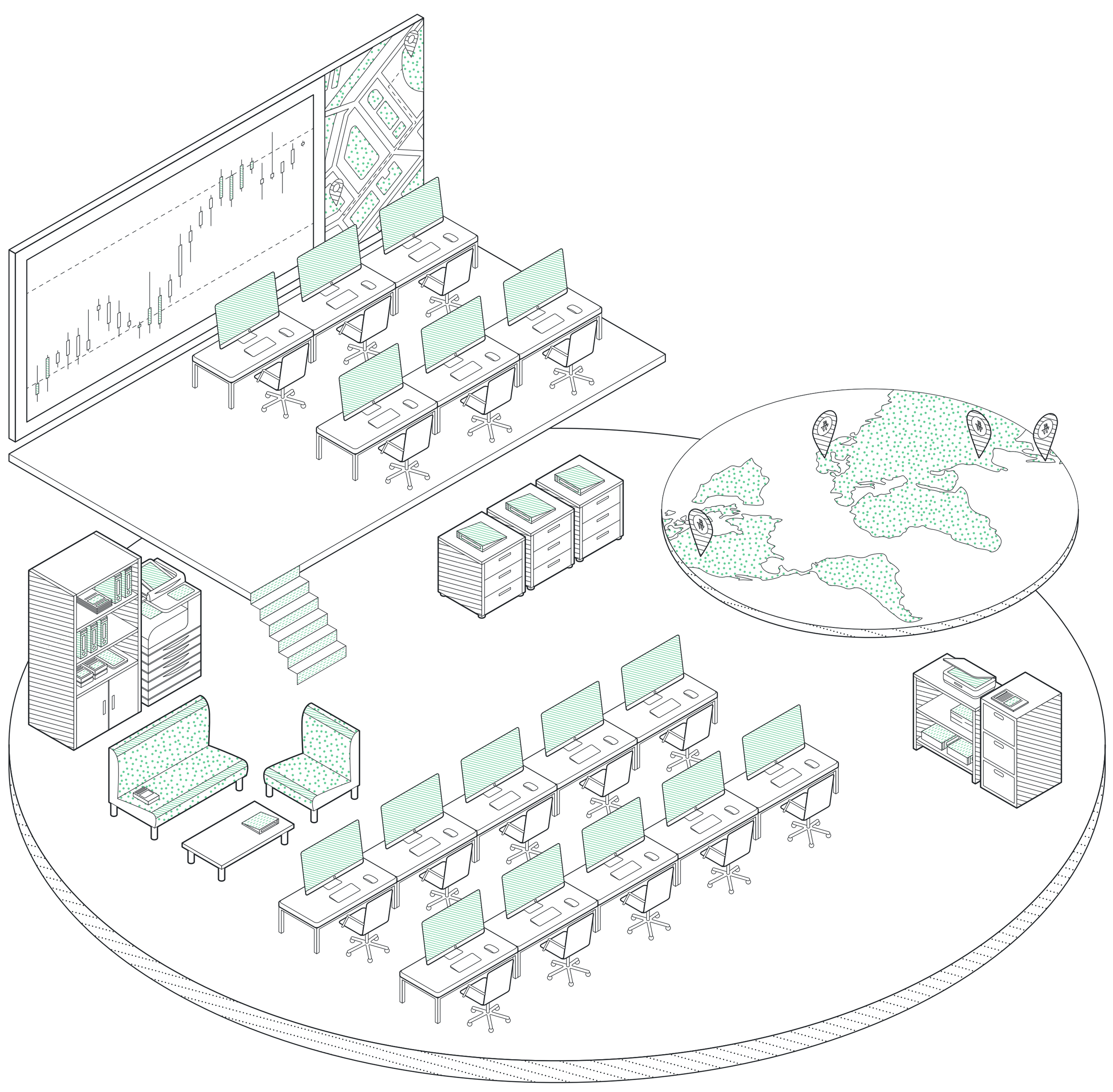
2023 Targets

Quality Management / IT Management:
- No detentions
- Increase collaboration with industry bodies
- Maintain ISO certifications
- On-time and on budget project execution
- Continuous improvement in ESG efforts

Economic Performance:
- Efficient utilisation of available capital to generate additional profits
- Outperform peers in TCE, OPEX and ROE

Progress

- No detentions in the last 3 years
- Enhanced internal IT capabilities with two new permanent headcount and restructuring of data and reporting solutions
- No major cybersecurity incidents or data breaches in 2023
- Attendance at 5 industry events
- Maintained ISO certifications
- Projects executed within timelines and budget
- 96% fleet utilisation in 2023, up from 93% in 2022
- US$61.6 K TCE per calendar day in 2023, up from US$40.6 K in 2022
- Established a joint venture for the development of an LPG import terminal
- Improved ESG ratings and increased communication



2024 Targets

- Deliver new data management platform and select strategic projects
- Expand internal IT standards, and enhance data protection and handling capacity
- Reinforce compliance with all applicable regulatory frameworks

Read More

Policies and Guidelines → Sustainability Strategy and Governance → Risk Management →

Governance

Material Topic

Supply Chain

Read more →

Actions

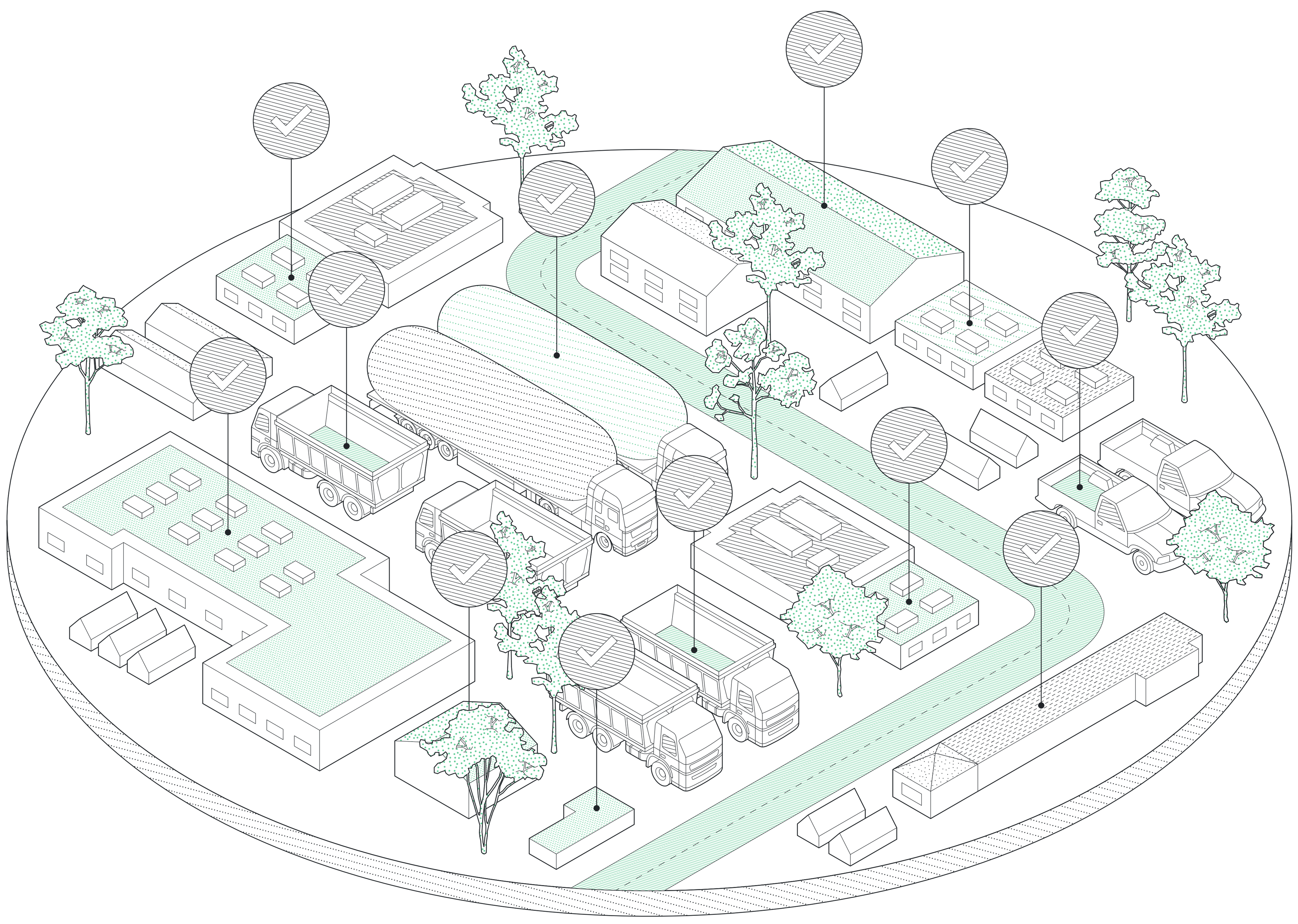
- Responsible Procurement
- Contractor Management

2023 Targets

- 100% of Top suppliers audited on ESG practices

Progress

- Conducted performance audit on top 40 suppliers in 2023 through Achilles
- 100% of new suppliers engaged in 2023 made a signed commitment to BW LPG procurement policy
- Enhanced BW LPG inventory management system
- Developed communication plan with 8 key strategic subcontractors



2024 Targets

- In collaboration with BW Group and BW affiliates, we will make a combined effort to contract an ESG provider platform for auditing of all suppliers

Read More

Policies and Guidelines →
Sustainability Strategy and Governance →
Risk Management →

Governance

Highlights

Do not ask, we will not give

At BW LPG, our success is rooted in the ethical conduct of each member of our team, both seafarers and shore colleagues alike. We are committed to fostering a work environment that promotes honesty, integrity, and fairness. To this end, our policies are clear and uncompromising: there is zero tolerance for corruption in our operations. BW LPG is a member of the Maritime Anti-Corruption Network (MACN)'s and every year, we organise activities to commemorate International Anti-Corruption Day.

In 2023, crew were asked to watch videos discussing bribery and corrupt practices in the industry and discuss practical ways to manage encounters. Crew were reminded that they can politely explain BW LPG's Anti-bribery Policy and point to posters placed at prominent locations onboard. Crew can also contact BW LPG's Anti-Bribery representatives and fleet teams for support and guidance. When we are coordinated and aligned in our response to bribery and corrupt practices, we build a good reputation in the industry.

All employees can expect full support from the highest levels of Management as we stand firm against bribery and corruption at the frontlines. There are various channels to report wrongdoing — for example, anonymous reports can be made via EthicsPoint, a third-party hosted platform that relays reports directly to the CEO of BW LPG.

We share a collective responsibility to uphold our company's values, to report any suspected corrupt practices, and to work in the best interests of our company and the communities we serve. Do not ask, we will not give.

BW Freya shows our approach to bribery and corrupt practices in the industry. Do Not Ask, We Will Not Give.

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Engagements

Shipping Industry Engagements and Commitments

Read more →

Senior management of BW LPG engages actively with our stakeholders through participation and presentations at industry events, cross-industry partnerships and coalitions. Our memberships in industry associations facilitates our engagement with regulatory bodies to understand and provide our expertise on matters that can impact the maritime industry.

Membership and Association

BW LPG is a member of, or partner with, the following associations and organisations.

Local Community

Read more →

We recognise that it is crucial to extend care to the broader community to foster cohesiveness, especially in challenging times. We choose to support initiatives that have a lasting impact on the communities even after the collaboration is completed.

Devija S, BW LPG India's pioneer graduate scholar, pictured here with schoolmates from the Indian Maritime University. She continues her LPG story onboard BW Tyr, an India-flagged Very Large Gas Carrier.

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Engagements

Stakeholder Engagement

Read more →

Shareholders, regulatory bodies, and various stakeholders are increasingly involved in discussions related to our management, performance, and disclosure of significant ESG matters. We maintain open communication with our stakeholders to understand their key expectations through various forms of engagement with the aim to meet all stakeholder expectations.

Stakeholder	Key Expectations	Engagements in 2023
Crew	• Occupational safety • Career development and training • Fair compensation • Supportive, diverse and inclusive culture • Work-life balance	• Organised annual Senior Officers Conferences to foster conversation and provide comprehensive updates • Conducted training sessions for crew on the operation of LPG propulsion engines • Sustained involvement on BW@work (an internal communication platform) to ensure crew are updated on workplace-related guidelines, initiatives, and knowledge-sharing of best practices and risks
Employees	• Occupational safety • Career development and training • Fair compensation • Supportive, diverse and inclusive culture • Work-life balance	• Utilised LinkedIn Learning to offer adaptable training and opportunities for upskilling • Developed Personal Development Plan in Performance Coaching forms for individual employees • Arranged various initiatives for employee engagement fostering team cohesion and promoting a healthy work-life balance • Encourage talent mobility and opportunities through university outreach and enhanced career page on our website
Customers	• Operational excellence • Competitive rates • Flexible and good customer service • Integrated service offering • Low carbon footprint	• 24-hour customer service through our multi-region chartering and trading desks • Arranged in-person sharing sessions on fleet developments, performance and service offerings • Enhanced our business offerings with BW Product Services and BW LPG India • Expanded BW LPG Pool through strategic partnerships

Engagements

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Stakeholder	Key Expectations	Engagements in 2023
Suppliers	• Sustainable supply chain • Prompt payment • Equal opportunities and clear communication of deliverables	• Increased collaboration within BW Group affiliates to synergise supplier audit and selection processes • Audited suppliers for compliance with BW LPG's Code of Ethics and Business Conduct • Commitment to pay suppliers within contractually agreed period • Continued dialogue and meetings with existing and new suppliers on increasing efficiency and ESG matters
Investors	• Return on investments • Transparent and clear strategy • Compliance with regulations • Abreast of industry trends with sound risk assessments • Alignment of shareholders' interest with management	• Held in-person dialogue with current and potential investors, and participated in investor conferences • Provided timely updates through quarterly earnings presentations with live Q&A sessions • Enhanced disclosures in external reports through best practice analysis and feedback • Continued participation in the Carbon Disclosure Project (CDP) and engagements with ESG ratings
Lenders	• Timely and reliable reporting • Compliance with loan covenants • Material ESG initiatives to support sustainability strategy	• Organised in-person and online meetings with lenders • Held annual bankers meeting with live Q&A session to share business updates • Provide timely updates and clear communication of strategic and ESG covenants
Government and Regulations	• Safe and reliable shipping • Collaborate and innovate • Abide by regulatory requirements • Develop superior management policies	• Actively participated in industry events to enhance visibility and share knowledge • Increased collaboration with BW Group Affiliates and industry peers through working groups and partnerships • Updated internal policies and workflows to reflect changing regulations and expectations

Corporate Governance Report

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BW LPG Corporate Governance Report 2023

Corporate Governance Comply or Explain Overview
With reference to the *Norwegian Code of Corporate Governance*

Section of the Code	Deviations
01: Implementation and reporting on corporate governance	None
02: Business	The Company's objectives are wider and more extensive.
03: Equity and dividends	The Company's issuance and purchase of its own shares are neither limited to a specific purpose nor to a specified period.
04: Equal treatment of shareholders	None
05: Shares and Negotiability	The Company may decline to register the transfer of any share if the transfer results in the Company being deemed a "Controlled Foreign Company" in Norway.
06: General meetings	The Chairman of the Board also acts as the Chair of the General Meetings.
07: Nomination committee	None
08: Board of Directors: composition and independence	None
09: The work of the Board of Directors	One of the two members of the Remuneration Committee is not independent of the Company's largest shareholder.
10: Risk management and internal control	None
11: Remuneration of the Board of Directors	None
12: Remuneration of the Executive Personnel	Performance-related remuneration to Executive Personnel is not subject to an absolute limit.
13: Information and communications	None
14: Take-overs	None
15: Auditor	None

Table 1: Overview of deviations from the Code

Section 01 Implementing and reporting on corporate governance

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

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

This Report provides an overall overview of the

Corporate Governance Report

Company's Corporate Governance practices with specific reference to the Norwegian Code of Practice for Corporate Governance (the "Code") dated 14 October 2021 issued by the Norwegian Corporate Governance Board. Each individual point of the Code is reviewed and if the Company deviates from the Code, explanations are provided. The Code is available at *https://www.nues.no*.

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

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

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

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

Section 02 The Business

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

The Board leads the Company's strategic planning, makes decisions and defines clear objectives, strategies and risk profiles that form the basis for the Company's Executive Personnel to prepare and carry out investments and structural measures to create value for the shareholders in a sustainable way. During this work, the Board takes into account economic, social and environmental conditions to ensure value creation for a sustainable business. The Company's strategies, objectives, business activities and risk profiles are evaluated at least annually and are described in the Annual Report. The Company has implemented corporate values, ethical guidelines and guidelines for corporate social responsibility. These values and guidelines are described in the Company's Code of Ethics, Business Conduct and internal policies.

Section 03 Equity and Dividends

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

The Board has decided on a dividend policy for the Company to provide a degree of predictability and transparency on the determination of dividend payouts to shareholders. Details on the dividend policy can be found on the Company's website.

In addition to cash dividends, the Company may

Corporate Governance Report

buy back shares as part of its total distribution of capital to shareholders. Under the Bye-laws of the Company, the Board of Directors may declare dividends and distributions without the approval of the shareholders in general meetings. Dividend payouts which are approved at the Board Meetings of the Company are made in accordance with the dividend policy.

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

Section 04 Equal Treatment of Shareholders

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

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

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

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

Section 05 Shares and Negotiability

In general, the shares in the Company are freely transferable.

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

Corporate Governance Report

Section 06 General Meetings

The Annual General Meeting of the Company will normally take place on or before 31 May each year. The Company encourages all shareholders to participate in and to vote at General Meetings. In order to facilitate shareholder participation, the Board ensures that:

- the resolutions and supporting documentation, if any, will be sufficiently detailed, comprehensive and specific to allow shareholders to understand and form a view on matters that are to be considered at the General Meeting;
- the registration deadline, if any, for shareholders to participate at the General Meeting will be set as closely to the date of the General Meeting as practically possible and permissible under the provision in the Bye-laws;
- the shareholders will have the opportunity to vote on each individual matter, including on each candidate nominated for election to the Company's Board and Committees (if applicable); and
- the members of the Board, the chairman of the nomination committee and the auditor (where attendance is regarded as essential) will have the opportunity to participate at the General Meeting.

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

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

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

The minutes of the Annual General Meeting will be published on the Company's website no later than 15 days after the date of the meeting, and a printed version can be made available upon request.

Section 07 Nomination Committee

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

The Nomination Committee is responsible for proposing candidates for election to the Board and the Nomination Committee, and proposing remuneration to be paid to members of these bodies. As part of its work in proposing candidates for election to the Board and the Nomination Committee, the Nomination Committee is available for contact with

Corporate Governance Report

shareholders and maintains contact with the Board and the Company's Executive Personnel. The Nomination Committee will justify its recommendations for each candidate separately and strive to consult with relevant shareholders concerning proposals for appointment of candidates.

The members of the Nomination Committee have been selected to take into account a broad range of shareholder interests. In accordance with the recommendations of the Code, the Nomination Committee is independent and does not include any Executive Personnel or any member of the Company's Board of Directors.

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

The Company does not deviate from Section 7 of the Code.

Section 08 Board of Directors: composition and independence

The composition of the Board represents a broad cross-section of the Company's shareholders, which ensures that they can meet the Company's need for expertise, capacity, diversity and independence. The Board consists of six members, who continue to work together as a team to exercise proper supervision on the management of the Company. The majority (five of the six members) are independent of the Company's largest shareholder, the Executive Personnel, and material business connections of the Company. The Board does not include any Executive Personnel. The general meeting elects the chairman of the Board.

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

The information of the Board, the expertise of the Board members and the members who are considered independent is available on the Company's website and in the Annual Report.

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

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

Section 09 The Work of the Board of Directors

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

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The Company and Board have put in place guidelines on the handling of agreements with related parties which require the Directors and Officers of the Company and Executive Personnel to notify the Board if they directly or indirectly have a material interest in any transaction carried out by the Company. Members of the Board of Directors and Executive Personnel cannot consider items in which they have a special and prominent interest so that such items can be considered in an unbiased and satisfactory way. In cases of transactions between the Company and a shareholder, a shareholder's parent company, Director, Officer or Executive Personnel of the Company or persons closely related to any such parties, or with another company in the same group, which are not immaterial for either the Company or the close associate involved, the Board will normally obtain a valuation from an independent third party, unless the Board is confident based on other relevant information such as benchmarking studies that it is unnecessary to obtain such valuation to ensure that values are not being transferred from the Company to related parties. Agreements with related parties are given account for in the Company's Consolidated Financial Statements.

In order to conduct its work, the Board each year fixes in advance a number of regularly scheduled meetings for the following calendar year, although additional meetings may be called by the Chairman. The directors will normally meet in person but if so allowed by the Chairman, may participate in the meeting by means of electronic communications. Minutes regarding the board meetings are kept by the Company in Bermuda.

The Board has established an Audit Committee as a preparatory and advisory committee for the Board, consisting of two members, both of which are also members of the Board. Both members of the Audit Committee are independent. The work and responsibility of the Audit Committee includes but is not limited to overseeing internal controls, risk management, internal audit and external audit activities; assessing the performance of the external auditors; and management of the Company's Environmental, Social and Governance ("ESG") material topics.

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

The Board carries out an annual self-evaluation of its performance and expertise. The various Board Committees are also reviewed for their effectiveness in executing their responsibilities. This evaluation aims to appraise the Board's performance over the year and serve as a foundation for improving its functions. The Nomination Committee takes into consideration the results of the annual self-evaluation when reviewing the composition of the Board.

Details on the various board committees and their respective guidelines adopted at the Company's Annual General Meeting are available on the Company's website.

Section 10 Risk Management and Internal Control

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

Corporate Governance Report

Management and internal control are based on Company-wide policies and internal guidelines in addition to implementation and follow-up of a risk assessment process. The Company's risk management system is central to the Company's internal controls and ensures that the guidelines for integrating considerations related to stakeholders into its creation of value are known and adhered to.

The Board carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. A description of the annual risk review and the risks identified are disclosed in the Annual Report.

An annual supervisory plan for internal audit work is approved by the Audit Committee. This audit plan includes an audit for internal controls in processes for functions at both group and subsidiary level. The internal auditor is independent from the Executive Personnel and reports directly to the Audit Committee. The Audit Committee follows up on internal controls and risk management in connection with quarterly reviews of the Group's financial reporting.

Upon effectiveness of the registration statement for the listing of the Company's securities in the U.S., the Company will be subject to Section 404 of the Sarbanes-Oxley Act which requires that the Company include a report from the management on the Company's internal control over financial reporting in its second annual report on Form 20-F. Thus, the Company will be subject to a more extensive and strict compliance and reporting regime than the Company was prior to the effectiveness of the registration statement. In connection with the preparation of the registration statement and compliance with Section 404 of the Sarbanes-Oxley Act, the Company and the Auditor (as defined in Section 15) have identified material weakness in the Company's internal control over financial reporting relating to not having a sufficient number of personnel with an appropriate level of U.S. Securities and Exchange Commission ("SEC") reporting knowledge, experience and training in internal controls over financial reporting, resulting in inadequate resources to operate the period-end financial reporting controls, even though the Company is of the view that it has had sufficient internal control over financial reporting to satisfy applicable requirements under its current reporting regime and has satisfied its reporting obligations as a Oslo Stock Exchange listed company. The work performed by the Company and the incremental audit work performed to prepare for the US securities filing did not identify any material errors in the historical financial statements of the Company as a result of the material weakness referred to above. Thus, the Company and the Auditor have concluded that no restatement of historical financial information will be required and that any adjustments will be disclosed in the notes to the financial statements for the financial year 2023.

The Company is committed to improving its financial organisation and to having effective internal control over financial reporting in accordance with the requirements under Section 404 of the Sarbanes-Oxley Act and the Company is in the process of implementing a number of measures to address the material weakness identified, including, among other things, (i) hiring additional accounting and reporting personnel with adequate SEC knowledge, skills, experience and training; and (ii) formalising existing and implementing additional internal control procedures and policies to improve the financial reporting process in compliance with Section 404 of the Sarbanes-Oxley Act.

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

Corporate Governance Report

Section 11 Remuneration of Board of Directors

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

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

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

Details of normal directors' fees are disclosed in the Minutes of the Annual General Meeting. Any additional remuneration and benefits in are disclosed in the Remuneration Report.

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

Section 12 Remuneration of Executive Personnel

The Board has established guidelines that set out the main principles applied in determining the salary and other remuneration of the Executive Personnel. The Guidelines for Executive Remuneration are clear and understandable, and contribute to the Company's business strategy, long-term interests and financial sustainability. Any change in these guidelines will be formally communicated at the Annual General Meeting and updated on the website. Since the Guidelines for Executive Remuneration is not a requirement under Bermuda law, the Annual General Meeting has not voted over the guidelines.

The remuneration of the Executive Personnel is reviewed annually and approved by the Board based on recommendations by the Remuneration Committee. The Remuneration Committee considers the performance of the Executive Personnel and gathers information from comparable companies before recommending it to the Board. Such a recommendation aims to ensure convergence of the financial interests of the Executive Personnel and the shareholders and is made easily understandable. Details on remuneration are disclosed in the Remuneration Report.

Performance-related remuneration is awarded in relation to annual performance against pre-determined performance targets, which includes sustainability objectives. The aggregate bonus pool available for payment is determined with close reference to the Company's profitability and shareholder value creation. Performance-related remuneration to Executive Personnel is not subject to an absolute limit. This represents a deviation from Section 12 of the Code.

Section 13 Information and Communications

The Company is committed to providing information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information shall be based upon openness and equal treatment of all shareholders.

A precondition for the share value to reflect the underlying values in the Company is that all relevant information is disclosed to the market. Based on this and subject to applicable laws and regulations, the Company will keep the shareholders informed about profit

Corporate Governance Report

developments, prospects and other relevant factors for their analysis of the Company's position and value.

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

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

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

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

Section 14 Take-overs

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

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

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

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

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

Corporate Governance Report

Section 15 Auditor

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

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

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

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

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

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

Remuneration Report

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BW LPG Remuneration Report 2023

This remuneration report ("Report") provides an overview of the remuneration received by each member of the Board of Directors ("Board") and the Executive Management ("Executive Management") at BW LPG Limited (the "Company") for the financial year ending on 31 December 2023.

The overall objective of the remuneration structure is to attract, motivate, and retain skilled members of the Board of Directors and the Executive Management. This stems from the recognition that the Company's future growth and success are linked to the performance of its leadership.

The Company's executive remuneration approach aims to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value and delivery of the Company's strategy.

The information included in this Report was derived from the audited annual report of the Company for the financial year ending 31 December 2023. More information on the description of the Board of Directors and Executive Management is available on the Company's website.

01 Remuneration of the Board of Directors

In accordance with the Company's Bye-Laws, the remuneration of the Directors shall be determined by the Company at the Annual General Meeting (AGM) and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a director that is a corporation, by their representative or representatives) in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

The members of the Board of Directors are remunerated for their role and responsibilities on the board. The remuneration of the directors is not linked to the Company's performance and the directors do not receive profit-related remuneration, share options or retirement benefits from the Company. The fees are reviewed each year and approved at the Annual General Meeting. The fees in the table below were approved at the Annual General Meeting on 15 May 2023.

Role	Annual Fees
Chairman	US$80,000
Board Members	US$65,000
Audit Committee Chair	US$10,000
Audit Committee Member	US$5,000
Remuneration Committee Chair	US$10,000
Remuneration Committee Member	US$5,000
Nomination Committee Chair and Member	US$2,500

Table 1: Annual remuneration to Board members

02 Key Changes in the Composition of the Board of Directors

On 15 May 2023, Martha Kold Bakkevig stepped down from the Board, and Luc Gillet was appointed to the Board.

On 14 February 2024, Sanjiv Misra was appointed to the Board.

Remuneration Report

The current Board of Directors and their roles are set out below:

The information of the Board members is available on the Company's website and in the Annual Report.

Name	Gender	Position	Independent
Andreas Sohmen-Pao	Male	Board Chairman Remuneration Committee Chair	No
Anne Grethe Dalane	Female	Board Member Audit Committee Chair	Yes
Sonali Chandmal	Female	Board Member Audit Committee Member	Yes
Andrew E. Wolff	Male	Board Member	Yes
Luc Gillet	Male	Board Member Remuneration Committee Member	Yes
Sanjiv Misra	Male	Board Member Audit Committee Member	No[1]

Table 2: Board of Directors as of 27 March 2024

[1] BW Group board director

03 Board Remuneration in 2023

Name and Position	Board Member Since	US$'000		
		Annual Fee	Committee Fees	Total
Andreas Sohmen-Pao, Chairman Remuneration Committee Chairman	21 November 2013	80	10	90
Anne Grethe Dalane, Board Member Audit Committee Chairwoman	21 November 2013	65	10	75
Sonali Chandmal, Board Member Audit Committee Member	20 May 2020	65	5	70
Andrew E. Wolff, Board Member	20 May 2020	65	—	65
Luc Gillet, Board Member Remuneration Committee Member[1]	15 May 2023	32.5	2.5	35
Martha Kold Bakkevig, Board Member Remuneration Committee Member[2]	15 August 2017	32.5	2.5	35
Sanjiv Misra, Board Member Audit Committee Member[3]	14 February 2024	—	—	—

Table 3: Breakdown of remuneration to the Board of Directors for 2023

[1] Appointed to the Board on 15 May 2023; 2023 fees have been pro-rated
[2] Resigned from the Board on 15 May 2023; 2023 fees have been pro-rated
[3] Appointed to the Board on 14 February 2024; no 2023 fees payable

Remuneration Report

04 Directors' Share Ownership

None of the Company's directors hold shares in the Company. BW Group Limited owns 48,407,126 shares of the Company, representing 34.6% of the outstanding shares. BW Group Limited is owned by a Company controlled by corporate interests associated with the Sohmen family. Andreas Sohmen-Pao is a member of the Sohmen family.

05 Key Changes in the Composition of the Executive Management

Anders Onarheim stepped down as Chief Executive Officer (CEO) on 30 September 2023.

Kristian Sørensen has been Deputy CEO and Head of Strategy since his appointment on 1 September 2022, and on 1 October 2023, stepped into position as CEO.

Elaine Ong stepped down as Chief Financial Officer (CFO) on 26 May 2023, with Samantha Xu appointed as CFO on 1 September 2023.

Pontus Berg stepped down as Executive Vice President (Technical and Operations) on 31 January 2023.

Prodyut Banerjee and Knut-Helge Knutsen stepped into positions as Vice President and Head of Operations, and Vice President and Head of Technical respectively on 1 January 2023.

Iver Baatvik was appointed as Vice President and Head of Corporate Development on 1 October 2023.

Niels Rigault stepped down as Executive Vice President, Commercial on 9 January 2024.

The current members of the Executive Management with responsibility for day-to-day management of the business are set out below:

Name	Position
Kristian Sørensen	Chief Executive Officer and Interim Head of Commercial
Samantha Xu	Chief Financial Officer
Prodyut Banerjee	Vice President and Head of Operations
Knut-Helge Knutsen	Vice President and Head of Technical
Iver Baatvik	Vice President and Head of Corporate Development

Table 4: Executive Management as at 27 March 2024

06 Executive Management Remuneration in 2023

The remuneration for Executive Management is determined in accordance with the Guidelines on Executive Remuneration, last updated 1 December 2022 and received at the Annual General Meeting on 15 May 2023. The guidelines are accessible on the Company's website (*https://www.bwlpg.com*).

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CEO	2023 (US$'000)	2022 (US$'000)
Fixed remuneration		
• Base salary and allowances	766	729
• Pension contribution	20	14
Variable remuneration		
• Annual performance bonus	699	553
• Long-term incentive	1,149	579
Total remuneration	2,634	1,875
Rest of Executive Management (excluding CEO)	**2023** (US$'000)	**2022** (US$'000)
Fixed remuneration		
• Base salary and allowances	1,399	1,324
• Pension contribution	66	33
Variable remuneration		
• Annual performance bonus	470	585
• Long-term incentive	624	640
Total remuneration	2,559	2,582

Table 5: Breakdown of remuneration to the Executive Management

07 Fixed Remuneration

A) Base Salaries and Allowances

Base salaries are designed to compensate employees for the roles, responsibilities that they undertake, and the required competencies. Therefore, base salary is set with the intention to be competitive in the markets in which the company operates (geographical and industry-wise) in relation to each individual's role and capabilities. Base salaries are normally reviewed once a year.

Fixed allowances designed to cover housing and transportation costs are paid to eligible members of the Executive Management.

B) Pension Contribution

Pension contributions commensurate with local practice in the location of employment, namely Singapore and Norway, on standard terms. No additional pension contributions are provided.

Remuneration Report

08 Variable Remuneration

A) Annual Performance Bonus

The aggregate bonus pool available for payment is determined with close reference to the agreed Company targets and shareholder value creation. The allocation of bonuses from the bonus pool is closely related to the performance of the employee against pre-determined performance targets. Performance targets for Executive Management are determined and reviewed by the Remuneration Committee in consultation with the full Board of Directors.

Performance targets include both financial and non-financial KPIs which are aligned with the Company's strategic objectives and approved by the Board of Directors.

The 2023 Company strategic objectives and KPIs are as follows:

Targets	Weightage	KPIs	Rationale
Financial Performance	55%	TCE (US$/day) ROCE G&A	Part of our strategy to secure long-term value for our stakeholder involves making significant investments to maximise returns on our current assets and to enable savings. Achieving this requires successful execution of our commercial and finance strategy.
Fleet Performance	30%	Vessel OPEX Speed and Consumption LTIF and TRCF	We continuously strive for operational excellence and an energy efficient fleet as we transition and prepare for our next-generation VLGCs. Compliance with long-term emissions regulations must be business-sustainable as we optimise our vessel performance in a safe manner
Sustainability	15%	Strategy ESG Ratings	Sustainability is incorporated into our corporate strategy. We must engage in sustainable initiatives by assessing both the internal and external ESG priorities, concerns, and drivers of multiple stakeholders; identify where critical risk areas and opportunities require attention; and ascertain industry position and alignment within broader market frameworks.

Table 6: 2023 Company Performance Targets

Remuneration Report

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B) Long-Term Incentive Plan (LTIP)

The Board of Directors has established an equity-settled, share-based compensation plan for the Executive Management and other key leading employees. The purpose of the LTIP is to attract and retain a strong team, and to align the interests of the team with the shareholders.

The Executive Management is entitled to share options, awarded each year in connection with the publication of the quarterly report for Q4 of the preceding year. The strike price for the options shall be equal to the sum of (i) the volume weighted average share price quoted on the Oslo Stock Exchange in the first five trading days following the announcement of such quarterly report (VWAP), and (ii) 16% of the VWAP.

The options will have a vesting period of three years from being awarded and may then be exercised in a period of three additional years.

The options are non-tradable and conditional upon the option holder being employed by the Company or its subsidiaries and not having resigned or having been terminated for cause prior to the vesting date.

Grants made under the LTIP are subject to BW LPG's Recoupment Policy. BW LPG may request recoupment of the full amount awarded or paid for, if within two years from the grant or payment date of such incentive, the option holder is found to have engaged in fraudulent, intentional or gross negligent misconduct. No grants have been reclaimed for the financial year 2023.

The following options granted to the Executive Management pursuant to the share-based compensation plans and exercised during the year 2023 is set out in the following table.

Executive Management	Plan	Award Date	Vesting Date	No. of Share Options Exercised	Strike Price Per Share (NOK)
Anders Onarheim[1]	LTIP 2017	26.05.2020	26.05.2023	186,304	98.8964
Elaine Ong[2]	LTIP 2017	28.02.2020	08.03.2023	85,200	32.5779
Niels Rigault[3]	LTIP 2017	28.02.2020	08.03.2023	113,600	32.5779
Prodyut Banerjee	LTIP 2017	28.02.2020	08.03.2023	22,720	32.5779
Knut-Helge Knutsen	LTIP 2017	28.02.2020	08.03.2023	22,720	32.5779

Table 7: Share Options exercised by Executive Management during year 2023

[1] Stepped down as CEO on 30 September 2023
[2] Stepped down as CFO on 26 May 2023
[3] Stepped down as Executive Vice President, Commercial on 9 January 2024

Remuneration Report

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As of 31 December 2023, the number of options granted to the Executive Management pursuant to the share-based compensation plans, and not yet exercised is set out in the following table.

Executive Management	Plan	Award Date	Vesting Date	Exercise Period	No. of Share Options Awarded	Strike Price Per Share on Award (NOK)	No. of Shares Held
Kristian Sørensen	LTIP 2022	28.02.2023	28.02.2026	28.02.2026– 28.02.2029	120,647	109.7758	5,000
	LTIP 2022	01.10.2023	28.02.2026	01.10.2026 – 01.10.2029	100,000	139.0949	
Samantha Xu	–	–	–	–	–	–	–
Prodyut Banerjee	LTIP 2017	01.03.2021	01.03.2024	01.03.2024 – 01.03.2027	22,720	56.9800	–
	LTIP 2022	01.03.2022	01.03.2025	01.03.2025 – 01.03.2028	24,840	63.1540	
	LTIP 2022	28.02.2023	28.02.2026	28.02.2026– 28.02.2029	50,812	109.7758	
Knut-Helge Knutsen	LTIP 2017	01.03.2021	01.03.2024	01.03.2024 – 01.03.2027	22,720	56.9800	–
	LTIP 2022	01.03.2022	01.03.2025	01.03.2025 – 01.03.2028	24,840	63.1540	
	LTIP 2022	28.02.2023	28.02.2026	28.02.2026– 28.02.2029	50,812	109.7758	
Iver Baatvik	LTIP 2022	01.03.2022	01.03.2025	01.03.2025 – 01.03.2028	24,840	63.1540	–
	LTIP 2022	28.02.2023	28.02.2026	28.02.2026– 28.02.2029	24,840	109.7758	

Table 8: Share Options due to the Executive Management as of 31 December 2023

Remuneration Report

09 Other benefits

The Executive Management are offered customary employee benefits such as mobile phone, internet, parking, medical and business travel insurance. These benefits are not significant in relation to the remuneration set out in this Report.

The Executive Management are also protected by Directors' and Officers' insurance in relation to their roles and their service on the subsidiary boards of the BW LPG Group.

10 Termination

Members of the Executive Management are employed on individual contracts which are generally entered into on an indefinite term with a mutual right of termination. There are no enhanced termination payment provisions except for payments that are required to be paid in accordance with local laws and regulations. Severance payments will deviate by position on a case-by-case basis.

07 Financial Report

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Board of Directors' Report

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Andreas Sohmen-Pao
Chairman


Andrew E. Wolff
Director


Anne Grethe Dalane
Director


Luc Gillet
Director


Sanjiv Misra
Director


Sonali Chandmal
Director

Financial Performance

2023 was a good year for the LPG market, with BW LPG delivering historic returns for some quarters. While spot rates corrected down sharply in early 2024, the underlying fundamentals for LPG remain sound due to strong underlying drivers mentioned earlier in this report.

On the shipping side, we are pleased to report an increase in our Time-Charter Equivalent (TCE) income, from US$568 million in 2022 to US$797 million in 2023. Average VLGC TCE earnings was US$61,600 per calendar day in 2023 versus US$40,600 per calendar day in 2022. BW LPG's net profit after tax (NPAT) was US$493 million in 2023 versus US$239 million in 2022, with an increase in ROCE and ROE to 24% and 31% in 2023 from 12% and 16% respectively in 2022. The increase in NPAT and returns from 2023 were mainly driven by our higher TCE income. We continued to divest our older fleet at attractive prices and recognised a US$42 million gain on disposal.

Our trading business also returned good results during its inaugural expanded year, handling 3.4 million metric tonnes of LPG. This generated a gross profit of US$26 million and net profit after tax of US$1 million. We added two medium gas carriers (MGCs) to the fleet, allowing us to tap into new markets beyond the VLGC segment. Beyond commercial benefits such as expanded business opportunities and enhanced fleet utilisation, our presence in trading has allowed a more nuanced understanding of the LPG market dynamics.

Our infrastructure business made significant progress in 2023, with concurrent strategic moves valued at over US$40 million. We formed a Joint Venture with Confidence Petroleum, a premier private energy player in India, and as its first project, we announced plans to build a state-of-the-art LPG storage terminal together with Ganesh Benzoplast outside Mumbai, India. We also agreed to invest in Confidence Petroleum to boost its downstream business expansion. This is the company's first foray into shore-based infrastructure, and is a testament to the company's corporate agility and capability to seize new business opportunities.

In August, we announced plans for a dual-listing in the US. As of the writing of this report, the Company is making good progress towards a listing in early 2024. With our strong expected financial returns and an attractive dividend policy, we anticipate good interest from a broader group of US investors.

Safety

Safety is a fundamental priority at BW LPG, and the Board is conscious that safety performance is a continuous process. BW LPG has programmes to cultivate and emphasise a "Zero Harm" safety culture on shore and at sea. In 2023, our LTIF (Lost Time Injury Frequency) and TRCF (Total Recordable Case Frequency) were both 0.16. There were zero fatalities and zero port state detentions. We thank all crew and onshore employees for their continued focus on keeping team members safe at work.

Board of Directors' Report

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Sustainability

This year, we continue with our Integrated Annual Report which combines the Company's Annual Report and Sustainability Report to provide key highlights and updates on financial and non-financial performance. This report broadly aligns itself with major international reporting frameworks and includes progress and performance in the context of activities relating to environmental, social and governance considerations for the financial year ended 31 December 2023.

We continue to play our part to support global energy security and the global clean energy transition. In 2023, we owned and operated 17 LPG-powered VLGCs, and they deliver LPG with the lowest emissions profile for long haul voyages. LPG propulsion is a key part of our decarbonisation roadmap and represents our conviction that LPG is part of the solution for the transition towards a low carbon future.

Corporate Governance

BW LPG's commitment to good governance takes in to account standards of Corporate Governance in the Norwegian Code of Practice for Corporate Governance (the "Code"). Deviations from the Code are addressed in the corporate governance section of this Annual Report. The Board held four meetings in 2023.

Risk

BW LPG is exposed to various market, operational, financial and climate-related risks. The most significant risks are set out in the IPO (Initial Public Offering) prospectus issued in November 2013. That document and other information on risks are available on the Company's website at *https://www.bwlpg.com*.

BW LPG employs an enterprise-wide risk assessment process to analyse and evaluate risk exposures and to allocate appropriate resources to risk mitigation activities. BW LPG's risk mitigation activities consider the unpredictability of shipping and financial markets, and the growing demand for climate action. BW LPG's main risks relate to the inherently cyclical nature of the shipping industry and the consequent inherent volatility of financial performance; the potential for oversupply of shipping capacity to negatively impact freight rates and asset values; the dependence on continued export volumes of relevant hydrocarbons to maintain demand for shipping; and the rapidly developing regulatory controls and technology to meet the industry's decarbonisation targets. BW LPG has also purchased and maintains a Directors and Officers Liability Insurance issued by a reputable, specialised insurer with appropriate rating.

Parent Company Accounts

Vessels and related assets, as well as external debt financing, are held in subsidiary companies within BW LPG Limited. The investment holding company reported a profit of US$431 million for 2023, compared to a profit of US$190 million in 2022. The variance is primarily related to higher dividend income in 2023, offset by foreign currency exchange loss mainly attributable to foreign currency denominated intercompany balances with a Company's subsidiary. Total assets were US$1,148 million as of 31 December 2023 compared to US$1,186 million in 2022. Total shareholders' equity in BW LPG Limited as of 31 December 2023, was US$1,144 million.

Going Concern

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

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Responsibility Statement

We confirm that, to the best of our knowledge, the financial statements for the year 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties facing the Group and the Company.

Andreas Sohmen-Pao
Chairman

Andrew E. Wolff
Director

Anne Grethe Dalane
Director

Luc Gillet
Director

Sanjiv Misra
Director

Sonali Chandmal
Director

Financial Statements

BW LPG Limited (Incorporated in Bermuda) and its Subsidiaries

Financial Statements

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INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BW LPG LIMITED

Report on the Audit of the Financial Statements

Opinion

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

- The balance sheet of the Company as at 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
- The consolidated balance sheet of the Group as at 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2023, and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, the IESBA Code and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial Statements

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BW LPG LIMITED (continued)

Sufficiency of audit evidence on determining the timing of cargo sales revenue recognition

As discussed in Notes 2(b)(2) and 3 to the consolidated financial statements, the Company reported revenue from cargo sales of $1,728,894 (US$'000) for the year ended 31 December 2023. The Company recognises revenue from cargo sales at the point in time when the performance obligations have been satisfied, which is when control of the cargo is transferred to the customer.

We identified the sufficiency of audit evidence on determining the timing of cargo sales revenue recognition as a key audit matter. This matter requires significant auditors' judgement to determine the nature and extent of procedures to perform on cargo sales to evaluate the indicators of when the transfer of control to the customer occurs that impact the timing of revenue recognition.

The following are the primary procedures we performed to address this key audit matter. For a selection of cargo sale transactions, we assessed the timing of revenue recognition by (1) examining the contracts to evaluate the impact of the terms and conditions on the timing of revenue recognition; (2) comparing the timing of transfer of control from the terms and conditions in the contracts with the underlying original documents including invoices; (3) developing expectations of the revenue recognized based on the underlying original documents and compared them to the amounts recorded by the Company. In addition, we evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed. No significant matters were noted from our procedures.

Other Information

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

We have obtained all other information prior to the date of this auditors' report.

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

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

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

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

In preparing the financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Financial Statements

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INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BW LPG LIMITED (continued)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BW LPG LIMITED (continued)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Financial Statements

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BW LPG LIMITED (continued)

Report on Other Legal and Regulatory Requirements

Report on Compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of BW LPG Limited we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5493006WBEME88YFDW23-2023-12-31-en" (the "ESEF file") , have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as Management determines is necessary.

Auditors' Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess Management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The engagement partner on the audit resulting in this independent auditors' report is Ong Li Qin.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2024

Financial Statements

BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Revenue - Shipping	3	1,224,520	833,332
Revenue - Product Services	3	1,722,820	724,792
Cost of cargo and delivery expenses - Product Services	4	(1,547,059)	(640,554)
Voyage expenses - Shipping	4	(509,340)	(350,016)
Vessel operating expenses	4	(82,192)	(93,428)
Time charter contracts (non-lease components)	4	(20,350)	(19,506)
General and administrative expenses	4	(56,773)	(31,916)
Charter hire expenses	4	(30,712)	(16,427)
Finance lease income		278	585
Other operating (expense)/income - net		(993)	815
Depreciation	8	(217,121)	(158,815)
Amortisation of intangible assets		(762)	(610)
Gain on disposal of vessels		42,374	21,110
Loss on derecognition of right-of-use assets (vessels)		(961)	-
Write-back of impairment charge on vessels	8	-	1,470
Operating profit		523,729	270,832
Foreign currency exchange loss - net		(345)	(814)
Interest income		10,121	1,941
Interest expense		(27,304)	(29,773)
Other finance expenses		(2,237)	(2,538)
Finance expenses - net		(19,765)	(31,184)
Profit before tax		503,964	239,648
Income tax expense	7(a)	(10,965)	(1,071)
Profit after tax		492,999	238,577

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

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BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- fair value (loss)/gain		(102,297)	34,694
- reclassification to profit or loss		49,978	(3,248)
Currency translation reserve		2,334	2,066
Other comprehensive (loss)/income, net of tax		(49,985)	33,512
Total comprehensive income		443,014	272,089
Profit attributable to:			
Equity holders of the Company		469,957	227,396
Non-controlling interests		23,042	11,181
		492,999	238,577
Total comprehensive income:			
Equity holders of the Company		418,818	260,705
Non-controlling interests		24,196	11,384
		443,014	272,089
Earnings per share attributable to the equity holders of the Company:			
(expressed in US$ per share)			
Basic/Diluted earnings per share	6	3.53	1.68

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

Financial Statements

BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
Intangible assets		1,242	1,370
Investment in joint venture		301	-
Derivative financial instruments	13	11,002	23,806
Finance lease receivables	9	-	2,684
Other receivables	11	13,206	15,869
Deferred tax assets	7(c)	6,855	6,720
Total other non-current assets		31,364	49,079
Vessels and dry docking	8	1,457,086	1,520,172
Right-of-use assets (vessels)	8	151,784	249,477
Other property, plant and equipment	8	277	307
Property, plant and equipment		1,609,147	1,769,956
Total non-current assets		1,641,753	1,820,405
Inventories	10	188,592	135,932
Trade and other receivables	11	315,238	197,593
Equity financial assets, at fair value		3,271	3,271
Derivative financial instruments	13	37,083	23,474
Finance lease receivables	9	2,684	7,842
Assets held-for-sale	12	44,296	86,869
Cash and cash equivalents	14	287,545	284,516
Total current assets		878,709	739,497
Total assets		2,520,462	2,559,902
Share capital	15	1,400	1,419
Share premium	15	285,853	289,812
Treasury shares	15	(56,438)	(47,631)
Contributed surplus		685,913	685,913
Other reserves		(56,494)	(9,777)
Retained earnings		609,479	556,996
		1,469,713	1,476,732
Non-controlling interests		116,447	119,858
Total shareholders' equity		1,586,160	1,596,590
Borrowings	16	199,917	362,220
Lease liabilities	17	78,363	106,281
Derivative financial instruments	13	679	929
Total non-current liabilities		278,959	469,430
Borrowings	16	212,432	116,153
Lease liabilities	17	79,476	121,202
Derivative financial instruments	13	90,214	40,151
Current income tax liabilities	7(b)	8,121	2,489
Trade and other payables	18	265,100	213,887
Total current liabilities		655,343	493,882
Total liabilities		934,302	963,312
Total equity and liabilities		2,520,462	2,559,902

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

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BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

		Attributable to equity holders of the Company												
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserve US$'000	Hedging reserve US$'000	Share-based payment reserve US$'000	Currency translation reserve US$'000	Other reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2023		1,419	289,812	(47,631)	685,913	(36,259)	24,777	2,141	(761)	325	556,996	1,476,732	119,858	1,596,590
Profit after tax		-	-	-	-	-	-	-	-	-	469,957	469,957	23,042	492,999
Other comprehensive(loss)/ income		-	-	-	-	-	(52,319)	-	1,180	-	-	(51,139)	1,154	(49,985)
Total comprehensive (loss)/income		-	-	-	-	-	(52,319)	-	1,180	-	469,957	418,818	24,196	443,014
Share-based payment reserve - Value of employee services		-	-	-	-	-	-	1,696	-	-	-	1,696	-	1,696
Purchases of treasury shares	15	-	-	(23,698)	-	-	-	-	-	-	-	(23,698)	-	(23,698)
Share options exercised	15	-	-	2,676	-	-	-	68	-	1,833	(2,919)	1,658	-	1,658
Shares cancellation	15	(19)	(3,959)	12,215	-	-	-	-	-	-	(8,237)	-	-	-
Dividends paid	23	-	-	-	-	-	-	-	-	-	(405,493)	(405,493)	(27,607)	(433,100)
Others		-	-	-	-	-	-	-	-	825	(825)	-	-	-
Total transactions with owners, recognised directly in equity		(19)	(3,959)	(8,807)	-	-	-	1,764	-	2,658	(417,474)	(425,837)	(27,607)	(453,444)
Balance at 31 December 2023		1,400	285,853	(56,438)	685,913	(36,259)	(27,542)	3,905	419	2,983	609,479	1,469,713	116,447	1,586,160

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

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BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 December 2023

		Attributable to equity holders of the Company												
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Capital reserve US$'000	Hedging reserve US$'000	Share-based payment reserve US$'000	Currency translation reserve US$'000	Other reserves US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2022		1,419	289,812	(23,294)	685,913	(36,259)	(6,669)	922	(2,624)	2,194	460,648	1,372,062	13,837	1,385,899
Profit after tax		-	-	-	-	-	-	-	-	-	227,396	227,396	11,181	238,577
Other comprehensive income		-	-	-	-	-	31,446	-	1,863	-	-	33,309	203	33,512
Total comprehensive income		-	-	-	-	-	31,446	-	1,863	-	227,396	260,705	11,384	272,089
Share-based payment reserve - Value of employee services		-	-	-	-	-	-	1,372	-	-	-	1,372	-	1,372
Purchases of treasury shares	15	-	-	(27,661)	-	-	-	-	-	-	-	(27,661)	-	(27,661)
Share options exercised	15	-	-	3,324	-	-	-	(153)	-	(1,833)	-	1,338	-	1,338
Dividends paid	23	-	-	-	-	-	-	-	-	-	(126,705)	(126,705)	-	(126,705)
Acquisition of subsidiary with non-controlling interests	24	-	-	-	-	-	-	-	-	-	-	-	10,327	10,327
Changes in non-controlling interests arising from changes of interests in subsidiary	25	-	-	-	-	-	-	-	-	-	(4,343)	(4,343)	84,343	80,000
Others		-	-	-	-	-	-	-	-	(36)	-	(36)	(33)	(69)
Total transactions with owners, recognised directly in equity		-	-	(24,337)	-	-	-	1,219	-	(1,869)	(131,048)	(156,035)	94,637	(61,398)
Balance at 31 December 2022		1,419	289,812	(47,631)	685,913	(36,259)	24,777	2,141	(761)	325	556,996	1,476,732	119,858	1,596,590

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

Financial Statements

BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASHFLOWS
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Profit before tax		503,964	239,648
Adjustments for:			
- amortisation of intangible assets		762	610
- depreciation charge	8	217,121	158,815
- gain on disposal of vessels	8	(42,374)	(21,110)
- loss/(gain) on derecognition of right-of-use assets (vessels)		961	-
- write-back of impairment charge on vessels	8	-	(1,470)
- interest income		(10,121)	(1,941)
- interest expense		27,304	29,773
- other finance expense		1,747	2,040
- share-based payments		1,696	1,372
- finance lease income		(278)	(585)
		700,782	407,152
Changes in working capital:			
- inventories		(52,660)	(51,210)
- trade and other receivables		(112,648)	111,986
- trade and other payables		52,701	35,029
- derivative financial instruments		(3,061)	253
- margin account held with broker		(66,384)	2,820
Total changes in working capital		(182,052)	98,878
Tax paid	7(b)	(5,367)	(730)
Net cash from operating activities		513,363	505,300
Cash flows from investing activities			
Additions in property, plant and equipment		(116,045)	(46,192)
Progress payments for vessel upgrades and dry docks[1]		-	16,035
Additions in intangible assets		(634)	(103)
Purchase of equity financial asset, at FVPL		-	(21)
Proceeds from sale of assets held-for-sale		167,588	95,415
Proceeds from sale of vessels		-	87,883
Investment in joint venture		(301)	-
Repayment of finance lease receivables	9	7,842	7,535
Interest received		10,118	585
Acquisition of subsidiary, net of cash acquired	24	-	(48,588)
Net cash from investing activities		68,568	112,549

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

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

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BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASHFLOWS (continued)
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from financing activities			
Proceeds from bank borrowings		72,070	67,243
Payment of financing fees		-	(109)
Repayments of bank borrowings		(171,659)	(389,103)
Payment of lease liabilities	17	(93,513)	(54,181)
Interest paid		(24,864)	(24,857)
Other finance expense paid		(1,652)	(1,586)
Purchase of treasury shares		(23,698)	(26,323)
Drawdown of trust receipts		1,021,010	260,377
Repayment of trust receipts		(989,884)	(306,856)
Dividend payment	23	(405,493)	(126,705)
Dividend payment to non-controlling interests		(27,607)	-
Contributions from non-controlling interests	25	-	80,000
Net cash used in financing activities		(645,290)	(522,100)
Net (decrease)/increase in cash and cash equivalents		(63,359)	95,749
Cash and cash equivalents at beginning of the financial year		225,396	129,647
Cash and cash equivalents at end of the financial year	14	162,037	225,396

Reconciliation of liabilities arising from financing activities

	Borrowings US$'000	Lease liabilities US$'000	Interest rate swaps [1] US$'000
At 1 January 2023	478,373	227,483	-
Cash changes:			
Proceeds from bank borrowings and trust receipts	1,093,080	-	-
Principal and interest (payments)/receipts	(1,188,352)	(100,610)	9,042
	(95,272)	(100,610)	9,042
Non-cash changes:			
Interest expense/(income)	29,248	7,098	(9,042)
Changes in fair value of interest rate swaps	-	-	679
Additions to lease liabilities	-	16,095	-
Lease modifications	-	49,625	-
Disposal	-	(41,852)	-
	29,248	30,966	(8,363)
At 31 December 2023	412,349	157,839	679

[1] Interest rate swaps are hedged against certain portions of bank borrowings.

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

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BW LPG LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASHFLOWS (continued)
For the financial year ended 31 December 2023

Reconciliation of liabilities arising from financing activities (continued)

	Borrowings US$'000	Lease liabilities US$'000	Interest rate swaps [1] US$'000
At 1 January 2022	742,289	132,540	14,140
Cash changes:			
Proceeds from bank borrowings and trust receipts	327,511	-	-
Principal and interest payments	(712,610)	(59,137)	(3,250)
	(385,099)	(59,137)	(3,250)
Non-cash changes:			
Interest expense	21,565	4,956	3,252
Changes in fair value of interest rate swaps	-	-	(14,142)
Additions to lease liabilities	-	16,016	-
Lease modifications	-	42,645	-
Acquisition of subsidiary	99,618	90,463	-
	121,183	154,080	(10,890)
At 31 December 2022	478,373	227,483	-

[1] Interest rate swaps are hedged against certain portions of bank borrowings.

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

Financial Statements

BW LPG LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

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

1. General information

BW LPG Limited (the "Company") is listed on the Oslo Stock Exchange and incorporated and domiciled in Bermuda. The address of its registered office is c/o Inchona Services Limited, Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, HM 1189, Hamilton HM EX, Bermuda.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are ship owning, chartering and LPG trading (note 26).

These consolidated financial statements were authorised for issue by the Board of Directors of the Company on 27 March 2024.

2. Material accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Group identified and corrected certain immaterial errors with respect to the comparative information for the year ended 31 December 2022. See note 28 for further disclosures.

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

The Group has adopted all the relevant new standards, amendments and interpretations to published standards as of 1 January 2023.

The adoption of these new standards, amendments, and interpretations to published standards does not have a material impact on the consolidated financial statements.

Critical accounting estimates, assumptions and judgements

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

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

(1) Useful life and residual value of assets

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

Financial Statements

BW LPG LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates, assumptions and judgements (continued)

(1) Useful life and residual value of assets (continued)

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

(2) Impairment

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

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

See note 8(b) for further disclosures.

(3) Revenue recognition

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

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

(b) Revenue and income recognition

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

Financial Statements

2. Material accounting policies (continued)

(b) Revenue and income recognition (continued)

(1) Rendering of services

Revenue from time charters accounted for as operating leases is recognised in accordance with IFRS 16 in profit or loss on a straight-line basis over the lease term. Apart from the lease, performance obligations include non-lease components attributable to the bareboat charter and the operation of the vessel which are accounted for as service revenue under IFRS 15. This revenue is recognised "over time" as the customer is simultaneously receiving and consuming the benefits of the service. Revenues are allocated to each performance obligation based on its relative standalone selling price, generally determined based on prices charged to customers. Non-lease components are not separately disclosed as they are considered not material to understand the Group operations.

Revenue from spot voyages is recognised rateably over the estimated length of the voyage on a load-to-discharge basis within the respective reporting period. Voyage expenses are capitalized between the discharge port of the immediately previous cargo, or contract date if later, and the load port of the cargo to be chartered if they qualify as fulfilment costs. The performance obligations for voyage revenue are satisfied over time from when the vessel is ready at the load port to the point of cargo delivery at the discharge port. No additional disclosures in relation to the incremental cost of obtaining the contract and the remaining performance obligation with an original duration of one year or less are made as the Group has applied the practical expedients available in the standard. Additionally, as the Group typically receives payments within one year from the start of the voyage, there are no additional disclosures made.

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

(2) Product Services – cargo sales

Revenue from the sale of goods is recognised at the point in time when the performance obligations have been satisfied, which is when control of the cargo is transferred to the customer. Revenue is measured based on consideration specified in the contract with a customer, which also includes the provision of services (shipping and insurance) when goods are sold on a CFR or CIF basis, which means that the Group is responsible (acts as principal) for providing shipping services, and in some instances, insurance after the date at which control of goods passes to the customer at the loading port. The Group, therefore, has separate performance obligations for freight and insurance services that are provided to facilitate the sale of commodities. The Group does not disclose sales revenue from freight and insurance services separately as these are not considered necessary in order to understand the economic impact on the Group and are analysed by the chief operation decision maker within the "Product Services" segment. The same recognition and presentation principles apply to revenues arising from physical settlement of forward sale contracts that do not meet the own use exemption. See note 2(y).

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2. Material accounting policies (continued)

(b) Revenue and income recognition (continued)

(3) Interest income

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

(c) Group accounting

(1) Subsidiaries

(i) Consolidation

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

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

Non-controlling interests are part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

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

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair value at the acquisition date.

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

(c) Group accounting (continued)

(1) Subsidiaries (continued)

(ii) Acquisitions (continued)

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

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair values of the identifiable net assets acquired, is recorded as goodwill.

The excess of: (i) fair value of the net identifiable assets acquired over the (ii) consideration transferred; the amount of any non-controlling interest in the acquiree; and the acquisition-date fair value of any previous equity interest in the acquiree; is recorded in the profit or loss during the period when it occurs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

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

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2. Material accounting policies (continued)

(c) Group accounting (continued)

(2) Transactions with non-controlling interests

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

(3) Joint venture

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

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

(i) Acquisitions

Investment in a joint venture is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint venture represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investment.

(ii) Equity method of accounting

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

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

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BW LPG LIMITED
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For the financial year ended 31 December 2023

2. Material accounting policies (continued)

(c) Group accounting (continued)

(3) Joint venture (continued)

(iii) Disposals

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

(d) Intangible assets

Computer software

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

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

(e) Property, plant and equipment

(1) Measurement

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

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

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

Financial Statements

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

(e) Property, plant and equipment (continued)

(2) Depreciation

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

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

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

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

(3) Subsequent expenditure

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

(4) Disposal

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

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2. Material accounting policies (continued)

(f) Impairment of non-financial assets

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

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

(g) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedge instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge or (b) cash flow hedge.

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

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

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

Financial Statements

2. Material accounting policies (continued)

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

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

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

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

Hedges directly affected by interest rate benchmark reform

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If other changes are made in addition to those changes required by the interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

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2. Material accounting policies (continued)

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

(1) Interest rate swaps

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

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

(2) Forward bunker swaps

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

The fair value changes on the effective portion of the forward bunker swaps designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

(3) Forward freight agreements (FFAs)

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

The fair value changes on the effective portion of the FFAs designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

Financial Statements

2. Material accounting policies (continued)

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

(4) Non-derivative financial asset

The Group has designated the foreign currency risk component of a foreign denominated cash balance as a cash flow hedge against the Group's commitment for the exercise of a purchase option on its time charter in lease contract which is denominated in the same foreign currency. This effectively hedges the forecasted purchase price at a fixed USD amount from the date of designation of the hedge. It was assessed that the economic relationship between the hedging instrument and the hedged item was effective as the critical terms match.

The fair value changes on the effective portion of the foreign currency risk component of the foreign denominated cash balance designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified into the cost of the asset upon payment of the purchase option.

(h) Financial assets

(1) Financial assets at amortised cost

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

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

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

The Group's financial assets at amortised costs, are presented as "finance lease receivables" (note 9) "trade and other receivables" (note 11) and "cash and cash equivalents" (note 14) in the consolidated balance sheet.

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

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

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

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

Financial Statements

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

(h) Financial assets (continued)

(1) Financial assets at amortised cost (continued)

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

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

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

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

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

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2. Material accounting policies (continued)

(h) Financial assets (continued)

(2) Equity Investments

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

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

(ii) On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss.

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

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

(j) Borrowing costs

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

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

The basis for determining the contractual cash flows of the borrowing may be modified as required by the IBOR reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

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2. Material accounting policies (continued)

(j) Borrowing costs (continued)

For this purpose, the Group updated the effective interest rate of the borrowing to reflect the change that is required.

If other changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first updated the effective interest rate of the borrowing to reflect the change that is required by interest rate benchmark reform. Then the Group applied the policies on accounting for modification to the additional changes.

(k) Trade and other payables

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

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

(l) Leases

(1) As a lessee:

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

The Group recognises a right-of-use asset and lease liability at the lease commencement date. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

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

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

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For the financial year ended 31 December 2023

2. Material accounting policies (continued)

(l) Leases (continued)

(1) As a lessee (continued):

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. From 1 January 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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

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

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

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

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

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

Financial Statements

2. Material accounting policies (continued)

(l) Leases (continued)

(2) As a lessor:

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

Lessor – Finance leases

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

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

Lessor – Operating leases

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

(3) As an intermediate lessor:

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

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises 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 recognises lease income from sublease in profit or loss within "Revenue from time charter voyages". The right-of-use asset relating to the head lease is not derecognised.

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2. Material accounting policies (continued)

(m) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices for financial assets are the current bid prices; the appropriate market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

(n) Inventories

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

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

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

(o) Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation where as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

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

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

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

(p) Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group are presented in United States Dollars ("US$"), which is the functional currency of the Company.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss within "finance expense – net".

(3) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from United States Dollars are translated into United States Dollars as follows:

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

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates on the transactions); and

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

(q) Employee benefits

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

(1) Employee leave entitlement

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

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2. Material accounting policies (continued)

(q) Employee benefits (continued)

(2) Defined contribution plans

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

(3) Share-based compensation

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

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

(r) Offsetting financial instruments

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

(s) Cash and cash equivalents

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

Financial Statements

2. Material accounting policies (continued)

(t) Share capital and treasury shares

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

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

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

(u) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts
of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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2. Material accounting policies (continued)

(v) Dividend to Company's shareholders

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

(w) Segment reporting

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

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

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

(y) Commodity contracts

The Product Services division transacts in exchange traded derivatives, and enters into physical contracts to buy and sell commodities. Derivative instruments, which include physical commodity contracts that do not meet the own use exemption, are accounted for as derivatives at fair value through profit or loss. The Group accounts for these physical commodity contracts under IFRS 9 before physical delivery, and excludes changes in the fair value of derivative assets and liabilities prior to physical delivery from revenue from contracts with customers. Derivative gains or losses are presented separately as "derivative gain/(loss)" within Revenue – Product Services.

The Group treats the counterparties to these physical commodity contracts as a customer under IFRS 15 when the physical delivery of commodities occurs and measures revenue from these contracts at the contractual transaction price. At delivery of the commodity, the sale of the commodity is recognised as revenue under IFRS 15. See note 2(b)(2).

(z) Contingent liabilities

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

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

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3. Revenue

	2023 US$'000	2022 US$'000
(a) Revenue – Shipping		
- spot voyages	1,059,024	699,028
- time charter	165,496	134,304
	1,224,520	833,332
(b) Revenue – Product Services		
- cargo sales	1,728,894	724,416
- spot voyages	36,177	-
- derivative (loss)/gain	(42,251)	376
	1,722,820	724,792

4. Expenses by nature

	2023 US$'000	2022 US$'000
Fuel oil consumed	204,863	221,436
Port charges	132,047	80,338
Pool distribution expenses	130,308	14,529
Other voyage expenses	42,122	33,713
Voyage expenses	509,340	350,016
Cost of cargo and delivery expenses – Product Services	1,547,059	640,554
Manning costs	42,883	46,878
Maintenance and repair expenses	26,438	32,172
Insurance expenses	4,694	4,146
Other vessel operating expenses	8,177	10,232
Vessel operating expenses	82,192	93,428
Employee compensation (note 5)	27,541	17,647
Directors' fees	378	378
Fees to auditors of Company and other firms affiliated with KPMG International Limited:		
- Audit	1,954	289
- Other services	30	48
Other general and administrative expenses	26,870	13,554
General and administrative expenses	56,773	31,916
Time charter-in expenses (short-term)	7,942	8,060
Time charter-in expenses (variable payments)	22,770	8,367
Charter hire expenses	30,712	16,427
Time charter contracts (non-lease components)	20,350	19,506

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5. Employee compensation

	2023 US$'000	2022 US$'000
Wages and salaries	24,910	15,857
Share-based payments - equity settled	1,900	1,372
Post-employment benefits - contributions to defined contribution plans	731	418
	27,541	17,647

6. Basic and diluted earnings per share

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

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

	2023	2022
Net profit attributable to equity holders of the Company (US$'000)	469,957	227,396
Weighted average number of common shares outstanding ('000) [1]	133,034	135,416
Basic and diluted earnings per share (US$ per share)	3.53	1.68

[1] Includes dilutive shares from share options of 1,274,180 (2022: 664,756)

7. Income tax expense

(a) Income tax expense

	2023 US$'000	2022 US$'000
Tax expense attributable to profit is made up of:		
- profit for the financial year: current income tax	10,461	1,315
- under/(over) provision in prior financial years: current income tax	250	349
- reversal/(recognition) of deferred tax assets current income tax	254	(593)
	10,965	1,071

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7. **Income tax expense** (continued)

(b) Movement in current income tax liabilities

	2023 US$'000	2022 US$'000
At beginning of the financial year	**2,489**	1,231
Income tax expense	**10,711**	1,664
Income tax paid	**(5,367)**	(730)
Acquisition of subsidiary (note 24)	**-**	66
Currency effects	**288**	258
At end of the financial year	**8,121**	2,489

(c) Movement in deferred tax assets

	2023 US$'000	2022 US$'000
At beginning of the financial year	**6,720**	-
Tax (charged)/credited to profit for the financial year	**(254)**	593
Acquisition of subsidiary (note 24)	**-**	5,919
Currency effects	**389**	208
At end of the financial year	**6,855**	6,720

Deferred tax assets are recognised for tax losses carried forward for the Group's Spanish subsidiary, Vilma Oil Trading, S.L., to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has concluded that the deferred tax assets will be recoverable from the estimated future taxable income of the subsidiary within the next five years.

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

	2023 US$'000	2022 US$'000
Profit before tax	**503,964**	239,648
Tax calculated at a tax rate of 0% (2022: 0%)	**-**	-
Effects of different tax rates in other countries	**10,711**	1,664
Utilisation of tax losses	**254**	-
Recognition of unutilised tax losses	**-**	(593)
Income tax expense	**10,965**	1,071

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8. Property, plant and equipment

	Vessels US$'000	Dry docking US$'000	Furniture and fixtures US$'000	Right-of-use assets (Vessels) US$'000	Total US$'000
Cost					
At 1 January 2023	1,953,789	55,121	817	364,156	2,373,883
Additions	102,021	13,931	93	16,095	132,140
Lease modifications	-	-	-	49,625	49,625
Disposals	-	-	-	(98,493)	(98,493)
Reclassification[1]	5,500	-	-	(5,500)	-
Reclassified to assets held-for-sale (note 12)	(128,897)	(6,106)	-	-	(135,003)
Write off on completion of dry docking costs	-	(10,872)	-	-	(10,872)
At 31 December 2023	1,932,413	52,074	910	325,883	2,311,280
Accumulated depreciation and impairment charge					
At 1 January 2023	465,559	23,179	510	114,679	603,927
Depreciation charge	88,724	13,173	123	115,101	217,121
Disposals	-	-	-	(55,681)	(55,681)
Reclassified to assets held-for-sale (note 12)	(50,543)	(1,819)	-	-	(52,362)
Write off on completion of dry docking costs	-	(10,872)	-	-	(10,872)
At 31 December 2023	503,740	23,661	633	174,099	702,133
Net book value					
At 31 December 2023	1,428,673	28,413	277	151,784	1,609,147

[1] Pertains to a reclassification of associated payments made in relation to the exercising of purchase option upon the delivery to vessel cost

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8. Property, plant and equipment (continued)

	Vessels US$'000	Dry docking US$'000	Furniture and fixtures US$'000	Right-of-use assets (Vessels) US$'000	Total US$'000
Cost					
At 1 January 2022	2,267,087	63,614	555	176,659	2,507,915
Additions	33,734	12,347	111	16,016	62,208
Acquisition of subsidiary (note 25)	-	-	151	123,336	123,487
Lease modifications	-	-	-	48,145	48,145
Disposals	(141,530)	(5,418)	-	-	(146,948)
Reclassified to assets held-for-sale (note 12)	(209,049)	(5,356)	-	-	(214,405)
Write off on completion of dry docking costs	-	(10,180)	-	-	(10,180)
Currency effects	3,547	114	-	-	3,661
At 31 December 2022	1,953,789	55,121	817	364,156	2,373,883
Accumulated depreciation and impairment charge					
At 1 January 2022	510,553	28,463	478	68,923	608,417
Depreciation charge	99,590	11,967	32	47,226	158,815
Disposals	(63,118)	(2,909)	-	-	(66,027)
Write-back of impairment charge	-	-	-	(1,470)	(1,470)
Reclassified to assets held-for-sale (note 12)	(81,590)	(4,205)	-	-	(85,795)
Write off on completion of dry docking costs	-	(10,180)	-	-	(10,180)
Currency effects	124	43	-	-	167
At 31 December 2022	465,559	23,179	510	114,679	603,927
Net book value					
At 31 December 2022	1,488,230	31,942	307	249,477	1,769,956

(a) Vessels with an aggregate carrying amount of US$1,000 million as at 31 December 2023 (2022: US$974.5 million) are pledged as security on borrowings (note 16).

(b) As at 31 December 2023, the Group has no impairment charge on right-of-use vessel (2022: wrote-back an impairment charge of US$1.5 million on a right-of-use vessel) to their recoverable amounts following the recovery of the freight market and asset prices from when the impairment losses were recognised.

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9. Finance lease receivables

In 2019, back-to-back time charter contracts were entered into and the subleases were accounted for as finance leases under IFRS 16. The adoption of IFRS 16 resulted in the recognition of net investment in subleases as finance lease receivables. The movements are as follows:

	2023 US$'000	2022 US$'000
At beginning of the financial year	10,526	18,061
Repayments	(7,842)	(7,535)
At end of the financial year	2,684	10,526

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

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 3 years US$'000	Total US$'000
At 31 December 2023				
Undiscounted lease receivables	2,707	-	-	2,707
Less: Unearned finance income	(23)	-	-	(23)
	2,684	-	-	2,684
At 31 December 2022				
Undiscounted lease receivables	8,120	2,707	-	10,827
Less: Unearned finance income	(278)	(23)	-	(301)
	7,842	2,684	-	10,526

10. Inventories

	2023 US$'000	2022 US$'000
Fuel oil and LPG, at cost	39,192	39,887
LPG, held for trading	149,400	96,045
	188,592	135,932

The cost of fuel oil recognised as an expense and included in voyage expenses amounted to US$204.9 million (2022: US$221.4 million).

The cost of LPG recognised as an expense and included in "cost of cargo and delivery expenses – Product Services" amounted to US$1,547.1 million (2022: US$640.6 million)

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11. Trade and other receivables

	2023 US$'000	2022 US$'000
Trade receivables - non-related parties	**286,474**	176,511
Other receivables - non-related parties	**24,560**	24,144
Other receivables - related parties [1]	**2,176**	1,614
	313,210	202,269
Prepayments	**15,234**	11,193
	328,444	213,462
Non-current	**13,206**	15,869
Current	**315,238**	197,593
	328,444	213,462

[1] Related parties refer to corporations controlled by a shareholder of the Company.

Contract assets – accrued revenue of US$103.3 million (2022: US$59.1 million) had been presented within "Trade receivables – non-related parties". These relate to the Group's rights to consideration for proportional performance from spot voyages that are in-progress at the balance sheet date, and which shall be recognised as revenue in the subsequent year. The Group will invoice the customers when the rights become unconditional which typically occurs in the next financial year.

Other receivables due from non-related parties include GST paid to India's Government in advance. After taking into account the present value of other receivables (non-current), the carrying amounts approximate their fair value.

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

12. Assets held-for-sale

	2023 US$'000	2022 US$'000
At beginning of the financial year	**86,869**	39,027
Reclassified from property, plant and equipment (note 8)	**82,641**	128,610
Disposals	**(125,214)**	(80,768)
At end of the financial year	**44,296**	86,869

As at 31 December 2023, assets held-for-sale comprised one VLGC (2022: two VLGCs) that has been committed for sale to a non-related party.

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13. Derivative financial instruments

	2023		2022	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Interest rate swaps	11,002	-	23,806	-
Forward freight agreements and related bunker swaps	2,188	(46,391)	5,790	(8,942)
Commodity contracts and derivatives	34,821	(44,234)	17,684	(32,061)
Forward foreign exchange contracts and foreign exchange	74	(268)	-	(77)
	48,085	(90,893)	47,280	(41,080)
Non-current	11,002	(679)	23,806	(929)
Current	37,083	(90,214)	23,474	(40,151)
	48,085	(90,893)	47,280	(41,080)

As at 31 December 2023, the Group has interest rate swaps with total notional principal amounting to US$218.1 million (2022: US$358.6 million). The Group's interest rate swaps mature between 2024 to 2029.

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 1.8% per annum to 2.9% per annum and would receive a variable rate equal to US$ SOFR. 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 and foreign exchange were transacted to hedge foreign exchange risks. The Group did not adopt hedge accounting for these contracts.

14. Cash and cash equivalents

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

	2023 US$'000	2022 US$'000
Cash and cash equivalents per consolidated balance sheet	287,545	284,516
Less: Margin accounts held with brokers [1]	(125,508)	(59,120)
Cash and cash equivalents per consolidated statement of cash flows	162,037	225,396

[1] Margin accounts held with brokers are collateral for open derivative financial instruments.

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15. Share capital and other reserves

(a) Issued and fully paid share capital

(i) As at 31 December 2023, the Company's authorised share capital is US$1,620,000 divided into 162,000,000 common shares of US$0.01 each, with 140,000,000 issued and fully paid shares.

As at 31 December 2022, the Company's authorised share capital is US$1,620,000 divided into 162,000,000 common shares of US$0.01 each with 141,939,998 issued and fully paid shares.

Fully paid common shares carry one vote per share and carry a right to dividend as and when declared by the Company.

(ii) The Company operates two equity-settled, share-based compensation plans. The 2017 Long-Term Incentive Plan ("LTIP 2017") was fully awarded in 2021. At the end of the vesting periods between February 2020 and February 2024, common shares of 2,043,784 may be acquired by certain employees, from the Company at a predetermined strike price. Under the 2022 Long-Term Incentive Plan ("LTIP 2022"), at the end of the vesting periods between February 2025 and February 2029, common shares of 3,463,336 may be acquired by certain employees from the Company at a predetermined strike price.

(b) Share premium

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

(c) Capital reserve

As at 31 December 2023 and 2022, negative capital reserve amounted to US$36.3 million, which comprises negative reserve arising from the business acquisition of entities under common control using the pooling-of-interest method of accounting of US$41.5 million and a gain on disposal of treasury shares of US$5.2 million in December 2015.

(d) Other reserve

Other reserve includes US$4.0 million of tonnage tax reserves of the Group's Indian subsidiary, BW Global United LPG India Private Limited. This amount is computed based on the subsidiary's profits pursuant to Section 115 JB to Tonnage tax reserve.

(e) Share-based payment reserve

Certain employees are entitled to receive common shares in the Company. This award is recognised as an expense in the consolidated profit or loss with a corresponding increase in the share-based payment reserve over the vesting periods. For the year ended 31 December 2023, an expense of US$1.7 million (2022: US$1.4 million) was recognised in the consolidated profit or loss with a corresponding increase (2022: increase) recognised in the share-based payment reserve.

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15. Share capital and other reserves (continued)

(f) Treasury shares

	Number of shares		Amount	
	2023	2022	2023	2022
	'000	'000	US$'000	US$'000
Balance as at 1 January	8,558	5,001	47,631	23,294
Transfer of treasury shares	(470)	(923)	(2,676)	(3,324)
Purchases of treasury shares	2,777	4,480	23,698	27,661
Cancellation of treasury shares	(1,939)	-	(12,215)	-
Balance as at 31 December	8,926	8,558	56,438	47,631

In 2023, 470,000 shares (2022: 923,000 shares) were transferred to certain members in settlement of their exercising of certain vested options granted under LTIP 2017.

On 8 December 2021, the Company announced a share buy-back programme, under which the Company will purchase up to 10 million common shares for a maximum amount of US$50 million, to be held as treasury shares. In FY 2023, the Company purchased a total of 2,777,784 (2022: 4,480,086; 2021: 1,371,192) of its own common shares at an average price of US$8.53 (NOK88.59) (2022: US$6.18 (NOK58.75); 2021: US$5.33 (NOK47.96)) per share for an aggregate consideration of US$23.7 million (NOK246.1 million) (2022: US$27.7 million (NOK263.2 million); 2021: US$7.3 million (NOK65.8 million)). In FY2023, the Company further resolved to cancel 1,938,998 treasury shares following which, the Company has 140,000,000 shares outstanding.

16. Borrowings

	2023	2022
	US$'000	US$'000
Bank borrowings	324,902	421,325
Trust receipts	84,263	53,138
Interest payable	3,184	3,910
	412,349	478,373
Non-current	199,917	362,220
Current	212,432	116,153
	412,349	478,373

As at 31 December 2023, bank borrowings amounting to US$311.0 million (2022: US$425.2 million) are secured by mortgages over certain vessels of the Group (note 8). These bank borrowings are originally interest bearing at three-month US$ LIBOR plus a margin. Following the IBOR reform, the Group transitioned these borrowings into US$ SOFR benchmark with all other terms unchanged as at 31 December 2023. The carrying amounts of non-current and current borrowings approximate their fair values because interest rates are repriced on a regular basis.

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17. Lease liabilities

	2023 US$'000	2022 US$'000
At beginning of financial year	227,483	132,540
Additions	16,095	16,016
Acquisition of subsidiary (note 24)	-	90,463
Lease modifications	49,625	42,645
Disposals	(41,851)	-
Repayments	(93,513)	(54,181)
At end of financial year	157,839	227,483
Non-current	78,363	106,281
Current	79,476	121,202
	157,839	227,483

18. Trade and other payables

	2023 US$'000	2022 US$'000
Trade payables - non-related parties	222,005	165,859
Other payables - non-related parties	246	196
Other payables - related parties [1]	264	409
Charter hire received in advance	3,846	2,825
Other accrued operating expenses	38,739	44,598
	265,100	213,887

[1] Related parties refer to corporations controlled by a shareholder of the Company.

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

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

19. Related party transactions

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

(a) Services

	2023 US$'000	2022 US$'000
Charter hire expense charged by related party [1]	-	2,808
Corporate service fees charged by related parties [1]	6,615	6,865
Ship management fees charged by related parties [1]	1,272	1,258
Corporate service fees charged to related parties [1]	-	242

[1] Related parties refer to corporations controlled by a shareholder of the Company.

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19. Related party transactions (continued)

(b) Key management's remuneration

	2023 US$'000	2022 US$'000
Salaries and other short-term employee benefits	3,333	3,191
Post-employment benefits - contributions to defined contribution plans and share-based payment	1,859	1,237
Directors' fees	376	376
	5,568	4,804

20. Commitments

(a) Commitments – as a lessor

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

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

	2023 US$'000	2022 US$'000
Less than one year	81,375	138,567
Two to five years	69,259	6,176
	150,634	144,743

(b) Sub-leasing – as a lessor

Included within "Revenue from time charter voyages" was income from sub-leasing of right-of-use assets of US$nil million (2022: US$nil million).

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21. Financial risk management

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

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

(a) Market risk

(i) Fuel price risk

The Group is exposed to the risk of variations in fuel oil costs, which are affected by the global political and economic environment. In 2023, fuel oil costs comprised 27% (2022: 45%) of the Group's total operating expenses (excluding cost of cargo and delivery expenses – Product Services, charter hire expenses, depreciation, and amortisation).

(ii) Currency risk

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

(iii) Equity price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as equity financial assets, at FVPL. These securities are unquoted. If prices for these equity securities increase/decrease by 20% with other variables including tax rate being held constant, the profit after tax will be higher/lower by approximately US$0.7 million (2022: US$0.7 million).

(iv) Commodity price risk

Commodity price risk results primarily from exposures to fluctuations in spot prices and forward prices of LPG and LPG freight indexes due to the Group's LPG trading operations. The Group holds positions to meet physical supply commitments to its customers and to leverage on physical arbitrage opportunities between the key LPG markets. The value of these positions is accounted for at fair value and are therefore impacted by changes in market prices. A large majority of price risks arising from the LPG trading activities are hedged to the corresponding commodity price exposures.

The Group monitors the market risk arising from commodity price risk using Daily Value at Risk (VaR) calculated at a 95 percent confidence level, which is a statistical estimate of the potential decline in value of the Group's positions due to market movements.

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21. Financial risk management (continued)

(a) Market risk (continued)

(v) 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 16). If the US$ interest rates increase/decrease by 50 basis points (2022: 50 basis points) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by approximately US$0.2 million (2022 profit after tax will be lower/higher by approximately US$0.2 million) as a result of higher/lower interest expense on these borrowings; the other comprehensive loss will be lower/higher by approximately US$4.2 million (2022: other comprehensive loss will be lower/higher by approximately US$5.2 million).

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposure to IBORs on its financial instruments that were reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 December 2022 was indexed to US$ LIBOR. The alternative reference rate for the US$ LIBOR is the Secured Overnight Financing Rate (SOFR). In 2023, the Group completed the process of amending its financial instruments from US$ LIBOR to US$ SOFR.

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to various IBORs. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA) master agreements.

The Group replaced its LIBOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SOFR in 2023. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the Phase 1 Amendments to IFRS 9 on Interest Rate Benchmark Reform to those hedging relationships.

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21. Financial risk management (continued)

(b) Credit risk

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

The Group's credit risk is primarily attributable to trade and other receivables, finance lease receivables, amounts due from related parties and cash and cash equivalents. The Group has assessed the ECL as at 31 December 2023 and 31 December 2022 based on past events, current conditions and forecasts of future economic conditions:

(i) General approach

- bank deposits are not impaired and are mainly deposits with banks with credit-ratings assigned by international credit-rating agencies; and

(ii) Simplified approach

- trade receivables are neither past due nor impaired and are substantially from companies with a good collection track record with the Group;
- finance lease receivables are due from customers with good credit standing, and in the event of default, the Group would be entitled to repossess the vessels chartered; and
- other receivables from related parties are not past due.

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

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

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21. **Financial risk management** (continued)

(c) Liquidity risk

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

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

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
At 31 December 2023				
Trade and other payables	261,254	-	-	-
Bank borrowings	118,800	61,554	164,471	718
Trust receipts	84,263	-	-	-
Lease liabilities	84,662	42,263	34,784	6,103
	548,979	103,817	199,255	6,821
At 31 December 2022				
Trade and other payables	211,062	-	-	-
Bank borrowings	79,684	77,964	325,360	27,134
Trust receipts	53,138	-	-	-
Lease liabilities	127,825	45,676	54,869	13,664
	471,709	123,640	380,229	40,798

(d) Capital risk

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

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

The Group's leverage ratio net of cash at 31 December 2023 is 21% (2022: 23%).

The Group is in compliance with all other externally imposed capital requirements for the financial year ended 31 December 2023 and 31 December 2022.

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21. **Financial risk management** (continued)

(e) Financial instruments by category

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

	2023 US$'000	2022 US$'000
Equity financial assets, at FVPL	**3,271**	3,271
Derivative assets measured at fair value	**48,085**	47,280
Derivative liabilities measured at fair value	**(90,893)**	(41,080)
Financial assets at amortised cost	**497,401**	427,637
Financial liabilities at amortised cost	**(663,609)**	(677,292)

(f) Estimation of fair value

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

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

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2023				
Assets				
Equity financial assets, at FVPL	-	-	3,271	3,271
Derivative financial instruments	-	48,085	-	48,085
Total assets	-	48,085	3,271	51,356
Liabilities				
Derivative financial instruments	-	90,893	-	90,893
Total liabilities	-	90,893	-	90,893
2022				
Assets				
Equity financial assets, at FVPL	-	-	3,271	3,271
Derivative financial instruments	-	47,280	-	47,280
Total assets	-	47,280	3,271	50,551
Liabilities				
Derivative financial instruments	-	41,080	-	41,080
Total liabilities	-	41,080	-	41,080

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21. Financial risk management (continued)

(f) Estimation of fair value (continued)

Derivative financial assets and liabilities

The Group's financial derivative instruments primarily relate to interest rate swaps, forward freight agreements, bunker swaps and commodity contracts (note 13) measured at fair value.

Level 2 classifications primarily include exchange-traded futures including interest rate swaps, forward freight agreements, bunker swaps and commodity contracts. The fair values of interest rate swaps are calculated at the present value of estimated future cash flows based on observable yield curves. The fair values of forward freight agreements, bunker swaps and commodity contracts measured at fair value are determined using forward commodity indices at the balance sheet date. Level 3 classifications primarily include unlisted equity investment which was valued using Market approach based on Enterprise Value to Revenue multiple of comparable companies.

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.

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21. Financial risk management (continued)

(g) Offsetting financial assets and financial liabilities

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

2023	Gross amounts of recognised financial instruments US$'000	Gross amounts of recognised financial instruments offset in the balance sheet US$'000	Net amounts of financial instruments included in the balance sheet US$'000	Related financial instruments that are not offset US$'000	Net amount US$'000
Derivative financial assets					
Forward freight agreements and related bunker swaps (note 13)	4,168	(1,980)	2,188	-	2,188
Commodity contracts (note 13)	34,821	-	34,821	-	34,821
Derivative financial liabilities					
Forward freight agreements and related bunker swaps (note 13)	(59,447)	13,056	(46,391)	-	(46,391)
Commodity contracts (note 13)	(135,716)	91,482	(44,234)	-	(44,234)

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21. Financial risk management (continued)

(g) Offsetting financial assets and financial liabilities (continued)

2022	Gross amounts of recognised financial instruments US$'000	Gross amounts of recognised financial instruments offset in the balance sheet US$'000	Net amounts of financial instruments included in the balance sheet US$'000	Related financial instruments that are not offset US$'000	Net amount US$'000
Derivative financial assets					
Forward freight agreements and related bunker swaps (note 13)	17,705	(11,915)	5,790	-	5,790
Commodity contracts (note 13)	32,399	(14,715)	17,684	-	17,684
Derivative financial liabilities					
Forward freight agreements and related bunker swaps (note 13)	(34,922)	25,980	(8,942)	-	(8,942)
Commodity contracts (note 13)	(47,935)	15,874	(32,061)	-	(32,061)

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22. Segment information

The executive management team ("EMT") is the Group's chief operating decision-maker. The Group identifies segments on the basis of those components of the Group that the EMT regularly reviews. The Group considers the business from each individual business segment perspective which comprise the Shipping and Product Services segments.

The reported measures of segment performance is gross profit, which the EMT uses to assess the performance of the operating segments. For the Shipping segment, gross profit is reflected as TCE income. Operating segment disclosures are consistent with the information reviewed by the Management.

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.

Segment performance is presented below:

2023	Shipping US$'000	Product Services US$'000	Inter-segment elimination US$'000	Total US$'000
Revenue from spot voyages	1,059,024	-	-	1,059,024
Inter-segment revenue	175,528	-	(175,528)	-
Voyage expenses	(509,340)	-	-	(509,340)
Inter-segment expense	(112,211)	-	112,211	-
Net income from spot voyages	613,001	-	(63,317)	549,684
Revenue from time charter voyages	184,494	-	(18,998)	165,496
TCE income – Shipping [1]	**797,495**	**-**	**(82,315)**	**715,180**
Revenue from Product Services	-	1,722,820	-	1,722,820
Inter-segment revenue	-	112,211	(112,211)	-
Cost of cargo and delivery expenses	-	(1,547,059)	-	(1,547,059)
Inter-segment expense	-	(194,526)	194,526	-
Depreciation	-	(67,609)	-	(67,609)
Gross profit – Product Services [2]	**-**	**25,837**	**82,315**	**108,152**
Segment results	**797,495**	**25,837**	**-**	**823,332**
Depreciation	(149,512)	-		
Amortisation	(699)	(63)		
Loss on derecognition of right-of-use assets (vessels)	(961)	-		
Gain on disposal of assets	42,374	-		

[1] "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.

[2] Gross profit from Product Services represents the net trading results which comprise revenue and cost of LPG cargo, derivative gains and losses, and other trading attributable costs, including depreciation from Product Services' leased in vessels

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22. **Segment information** (continued)

2022	Shipping US$'000	Product Services US$'000	Inter-segment elimination US$'000	Total US$'000
Revenue from spot voyages	699,028	-	-	699,028
Inter-segment revenue	87,328	-	(87,328)	-
Voyage expenses	(350,016)	-	-	(350,016)
Inter-segment expense	(2,983)	-	2,983	-
Net income from spot voyages	433,357	-	(84,345)	349,012
Revenue from time charter voyages	134,304	-	-	134,304
TCE income – Shipping [1]	**567,661**	**-**	**(84,345)**	**483,316**
Revenue from Product Services	-	724,792	-	724,792
Inter-segment revenue	-	2,983	(2,983)	-
Cost of cargo and delivery expenses	-	(640,554)	-	(640,554)
Inter-segment expense	-	(87,328)	87,328	-
Depreciation	-	(3,414)	-	(3,414)
Gross (loss)/profit – Product Services [2]	**-**	**(3,521)**	**84,345**	80,824
Segment results	**567,661**	**(3,521)**	**-**	564,140
Depreciation	(155,401)	-		
Amortisation	(610)	-		
Write-back of impairment	1,470	-		
Gain on disposal of assets	21,110	-		

[1] "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.

[2] Gross profit from Product Services represents the net trading results which comprise revenue and cost of LPG cargo, derivative gains and losses, and other trading attributable costs, including depreciation from Product Services' leased in vessels

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22. **Segment information** (continued)

(a) Reconciliation of segment results:

	2023 US$'000	2022 US$'000
Total segment results for reportable segments	823,332	564,140
Vessel operating expenses	(82,192)	(93,428)
Time charter contracts (non-lease components)	(20,350)	(19,506)
General and administrative expenses	(56,773)	(31,916)
Charter hire expenses	(30,712)	(16,427)
Finance lease income	278	585
Other operating income - net	(993)	815
Depreciation – Shipping segment	(149,512)	(155,401)
Amortisation	(762)	(610)
Write-back of impairment charge	-	1,470
Gain on disposal of assets	42,374	21,110
Loss on derecognition of right-of-use assets (vessels)	(961)	-
Finance expenses - net	(19,765)	(31,184)
Income tax expense	(10,965)	(1,071)
Profit after tax	492,999	238,577

(b) Customer concentration

Revenues from external customers are derived mainly from spot voyages, time charter voyages and sale of LPG cargo. Revenues from one customer of the Product Services segment represented approximately US$306 million (2022: US$175 million) of the Group's total revenues.

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23. Dividends paid

	2023 US$'000	2022 US$'000
Final dividend paid in respect of FY 2022 of US$0.52 (2022: in respect of FY 2021 of US$0.18) per share	68,731	24,182
Interim dividend paid in respect of Q1 2023 of US$0.95 (2022: in respect of Q1 2022 of US$0.31) per share	125,734	42,072
Interim dividend paid in respect of Q2 2023 of US$0.81 (2022: in respect of Q2 2022 of US$0.20) per share	106,127	26,528
Interim dividend paid in respect of Q3 2023 of US$0.80 (2022: in respect of Q3 2022 of US$0.25) per share	104,901	33,923
	405,493	126,705

The Board has declared a final cash dividend of US$0.90 per share for 2023, amounting to US$118.0 million. Together with the interim dividend paid for Q1 2023 of US$0.95 per share, Q2 2023 of US$0.81 per share and Q3 2023 of US$0.80 per share, the total dividend payout for FY 2023 will amount to US$3.46 per share or US$454.8 million. The shares will be traded ex-dividend on and after 5 March 2024. The dividend will be payable on or about 22 March 2024 to shareholders of record as at 6 March 2024.

24. Business combinations

FY2022

The Group acquired 85.0% equity interest in Vilma Oil ("Vilma")'s LPG trading operations resulting in the Group obtaining control of the LPG trading operations. From 30 November 2022, the Group accounted for Vilma's LPG trading operations as its subsidiary.

The principal activity of Vilma's LPG trading operations is that of LPG trading operations. As a result of the acquisition, the Group is expected to increase its market presence in LPG trading market.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, were as follows. These were determined on a provisional basis as at 31 December 2022 and were finalized as at 31 December 2023 with no significant adjustments required.

(a) Details of the acquisition

	US$'000
Purchase consideration	53,438
Non-controlling interest [1]	10,327
Less: Fair value of identifiable net assets acquired	(63,765)
Goodwill	-

[1] Non-controlling interest was measured based on their proportionate share of interest in the fair value of identifiable net assets acquired.

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24. Business combinations (continued)

(b) Effect on cash flows of the Group

	US$'000
Cash paid	51,138
Less: cash and cash equivalents in subsidiary acquired net of restricted cash	(2,550)
Cash outflow on acquisition	48,588

(c) Identifiable assets acquired and liabilities assumed

	US$'000
Cash and cash equivalents	61,464
Right-of-use assets (vessels)	123,336
Derivatives financial instruments	683
Derivatives financial instruments (commodity contracts)	16,303
Inventories	30,138
Trade and other receivables	150,812
Deferred tax assets	5,919
Other assets	94
Total assets	388,749
Trade and other payables	(94,987)
Borrowings	(99,618)
Lease liabilities	(90,463)
Derivative financial instruments	(39,850)
Current income tax	(66)
Total liabilities	(324,984)
Total identifiable net assets	63,765
Less: Non-controlling interest	(10,327)
	53,438

Cash and cash equivalents comprise mainly margin cash held with brokers amounting to US$58,914,000 which is deemed as restricted. Net of restricted cash, cash and cash equivalents acquired amounted to US$2,550,000.

Right-of-use assets (vessels) comprise the contractual lease payments for the remaining lease term, recalculated on the date of acquisition plus the fair value uplift for those identified as favorable lease contracts. The fair value determined is a Level 2 fair value measurement using observable market prices obtained from exchanges, and derived based on the comparison of forward freight rates against actual freight rates.

Derivatives financial instruments comprise exchange traded futures and swaps which are recognised at fair value, derived using exchange traded price indexes.

Derivative financial instruments (commodity contracts) is a Level 2 fair value measurement using observable market prices obtained from exchanges, or traded reference indices adjusted for relevant location differentials. These were recognised at fair value on the date of acquisition, derived based on forward commodity rates.

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24. Business combinations (continued)

(c) Identifiable assets acquired and liabilities assumed (continued)

Some provisional amounts have been revised based on subsequently available documentation compared to the amounts in the previously issued 2022 consolidated financial statements of the Group. The revisions relate primarily to the net presentation of derivative balances and cash balances held with brokers within Trade and other payables and Derivative financial instruments. The effects of these revisions are reflected retrospectively in the consolidated balance sheet as at 31 December 2022, and the consolidated statement of cash flows for the financial year ended 31 December 2022.

The carrying amounts of borrowings approximate their fair values because they are short-term in nature. The carrying amounts of trade and other receivables, trade and other payables approximate their fair value due to the short-term nature of these balances and are expected to be collectible or paid in full at the date of acquisition.

For the one month ended 31 December 2022, Vilma LPG trading operations contributed revenue of US$217.0 million and a net loss of US$3.7 million to the Group's results. If the acquisition had occurred on 1 January 2022, Management estimates that the consolidated revenue would have been higher by approximately US$1,825.0 million and consolidated profit for the period would have been lower by approximately US$2.5 million.

25. Investment in subsidiaries with material non-controlling interests

In January 2022 and May 2022, an external investor subscribed for US$50 million and US$30 million of new shares in BW LPG India Pte. Ltd. ("BW India"), representing 31.9% and 9.2% equity interest respectively. Following these transactions, the Group's ownership percentage in BW India was diluted from 88.4% to 52.4%. This change in ownership interest does not result in a change of control and is considered an equity transaction which resulted in an increase in non-controlling interest of US$84.3 million and a decrease in equity attributable to shareholders of the Group of US$4.3 million. The effect of changes in the ownership interest of BW India on the equity attributable to shareholders of the Group has been reflected in the consolidated statement of changes in equity.

In November 2022, the Group's subsidiary, BW LPG Product Services Pte. Ltd. ("BW Product Services"), completed the acquisition of Vilma's LPG trading operations. From 30 November 2022, the Group accounted for Vilma's LPG's trading operations as its subsidiary.

Set out below are the summarised financial information for BW LPG India Pte. Ltd. ("BW India") and BW LPG Product Services Pte. Ltd. ("BW Product Services"), that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

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For the financial year ended 31 December 2023

25. **Investment in subsidiaries with material non-controlling interests** (continued)

Summarised balance sheet:

	BW India		BW Product Services	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Assets				
Current assets	27,935	36,874	431,420	329,485
Includes				
Cash and cash equivalents	15,882	12,216	77,980	77,829
Non-current assets	347,933	337,868	75,727	120,085
Liabilities				
Current liabilities	33,901	33,861	402,789	326,246
Includes				
Borrowings	27,929	27,957	138,380	110,260
Non-current liabilities (Borrowings)	112,473	139,007	40,815	62,231
Net assets	229,494	201,874	63,543	61,093

Summarised statement of comprehensive income:

	BW India		BW Product Services	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
TCE income	118,999	92,561	-	-
Revenue – Product Services	-	-	1,835,031	727,775
Cost of cargo and delivery expenses	-	-	(1,741,585)	(727,882)
Gain on disposal of assets held-for-sale	-	-	-	-
Vessel operating expense	(21,503)	(22,885)	-	-
Depreciation and amortisation	(33,950)	(32,154)	(67,609)	(3,414)
Finance expense	(9,510)	(7,453)	(4,426)	(1,755)
Other expenses	(6,045)	(2,004)	(20,033)	3,139
Net profit/(loss) after tax	47,991	28,065	1,378	(2,137)
Other comprehensive income (currency translation effects)	416	2,961	1,918	(895)
Total comprehensive income/(loss)	48,407	31,026	3,296	(3,032)
Total comprehensive income/(loss) allocated to non-controlling interests	23,716	12,701	480	(1,317)

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26. Listing of companies in the Group

Name of companies		Principal activities	Country of incorporation	Effective equity holding 2023	Effective equity holding 2022
(i) Subsidiaries held by the Company					
BW LPG Holding Pte. Ltd.	(a)	Investment holding	Singapore	100%	100%
BW LPG Product Services Limited	(b)	Investment holding	Bermuda	-	100%
(ii) Subsidiaries held by BW LPG Holding Pte. Ltd.					
BW LPG Technologies Pte. Ltd.		Investment holding	Singapore	100%	100%
BW LPG Investments Limited	(b)	Investment holding	Bermuda	-	100%
BW LPG LLC		Management	United States	100%	100%
BW Gas LPG Chartering Pte. Ltd		Chartering	Singapore	100%	100%
BW LPG Pool Pte. Ltd.		Chartering	Singapore	100%	100%
BW Constellation I Pte. Ltd.		Ship owning	Singapore	100%	100%
BW Constellation II Pte. Ltd.		Ship owning	Singapore	100%	100%
BW Seoul Pte. Ltd.		Ship owning	Singapore	100%	100%
BW Okpo Pte. Ltd.		Ship owning	Singapore	100%	100%
BW VLGC Pte. Ltd		Ship owning	Singapore	100%	100%
BW LPG Partners Pte Ltd		Dormant	Singapore	100%	100%
LPG Kenya Pte. Ltd.		Investment holding	Singapore	100%	100%
BW LPG India Pte. Ltd.		Management	Singapore	52%	52%
Aurora LPG Holding AS		Management	Norway	100%	100%
BW LPG AS		Management	Norway	100%	100%
BW LPG Product Services Pte. Ltd.		LPG Trading	Singapore	85%	85%
(iii) Subsidiaries held by BW LPG Product Services Pte. Ltd.					
BW LPG Product Services S.L. (formerly known as Vilma Oil Trading, S.L.)		LPG Trading	Spain	85%	85%
Vilma Oil Singapore Pte. Ltd.		LPG Trading	Singapore	85%	85%
BW LPG Product Services (Norway) AS	(c)	Management	Norway	85%	-
BW LPG Product Services USA LLC	(c)	LPG Trading	United States	85%	-

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26. Listing of companies in the Group (continued)

Name of companies		Principal activities	Country of incorporation	Effective equity holding 2023	Effective equity holding 2022
(iv) Subsidiary held by BW LPG AS					
BW LPG Fleet Management AS	(c)	Management	Norway	100%	-
(v) Subsidiary held by BW LPG India Pte. Ltd.					
BW Global United LPG India Private Limited		Ship owning	India	52%	52%
(vi) Joint venture held by BW VLGC Pte. Ltd.					
BW Confidence Enterprise Private Limited	(c)	LPG wholesaler	India	50%	-

(a) "BW LPG Holding Pte. Ltd" was formerly known as "BW LPG Holding Limited", which re-domiciled from Bermuda to Singapore. During the financial year, there was an amalgamation between "BW LPG Pte. Ltd. and BW LPG Holding Pte. Ltd.", following the amalgamation, the surviving company is known as BW LPG Holding Pte. Ltd.
(b) Companies were liquidated during the financial year
(c) Companies were newly incorporated during the financial year

27. Subsequent events

Completed the investment of US$30 million in Confidence Petroleum India Limited ("Confidence") through a preferential allotment of equity shares in February 2024. The shares constitute 8.5% of the issued and paid-up share capital of Confidence on a fully diluted basis.

Concluded the sale of one VLGC in October 2023, which was delivered for further trading in February 2024. The sale generated liquidity of US$64.7 million and a net gain of US$20.4 million.

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28. Comparative information

The Group identified and corrected certain immaterial errors with respect to the comparative information for the year ended 31 December 2022. The identified errors were with respect to the determination of functional currency with respect to a subsidiary, remeasurement of leases, and the determination of transfer of control for certain revenue transactions. Management has evaluated the materiality of the errors from quantitative and qualitative perspectives and concluded that the errors were immaterial to the Group's 2022 previously issued audited financial statements, as they were not quantitatively significant, and did not materially impact financial metrics that the Group's management primarily focused on in evaluating the performance of the Group. Consequently, the Group has corrected these immaterial errors by revising the comparative information for the year ended 31 December 2022 presented herein.

The tables below present the effect of the adjustments as of and for the period ended 31 December 2022. These adjustments exclude those related to revisions of the Vilma purchase price allocation (note 25 (c)). The effect of the immaterial correction of errors in our previously issued consolidated financial statements as of 31 December 2022 and for the year then ended is as follows, and all applicable note disclosures have been updated to reflected the corrections described above.

	31 December 2022		
	As reported US$'000	Adjustment US$'000	As adjusted US$'000
Consolidated statement of comprehensive income			
Revenue - Product Services	730,231	(5,439)	724,792
Cost of goods sold - Product Services	(645,993)	5,439	(640,554)
Consolidated statements of financial position			
Trade and other receivables	203,179	(5,586)	197,593
Derivative financial instruments - current asset	89,346	7,120	96,466
Inventories	113,945	21,987	135,932
Total current assets	740,603	23,521	764,124
Vessels and drydocking	1,484,489	35,683	1,520,172
Right-of-use assets (vessels)	264,666	(15,189)	249,477
Total non-current assets	1,799,911	20,494	1,820,405
Trade and other payables	223,923	14,071	237,994
Derivative financial instruments - current liability	33,006	7,665	40,671
Lease liabilities	136,391	(15,189)	121,202
Total current liabilities	511,962	6,547	518,509
Other reserves	(30,554)	20,777	(9,777)
Non-controlling interests	103,167	16,691	119,858
Consolidated statement of cash flows			
Cash flows from operating activities			
Inventories	(29,223)	(21,987)	(51,210)
Trade and other receivables	106,400	5,586	111,986
Trade and other payables	4,049	15,856	19,905
Derivative financial instruments	25,956	545	26,501

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29. New or revised accounting standards and interpretations

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements. The Group does not expect any significant impact arising from applying the new IFRS standards, interpretation and amendments to standards.

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STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Dividend from a subsidiary		450,000	180,000
Other operating expenses	3	(9,766)	(4,725)
		440,234	175,275
Foreign currency exchange (loss)/gain - net	3	(9,734)	14,641
Profit before tax for the financial year		430,500	189,916
Income tax expense	4	-	-
Profit after tax and total comprehensive income for the financial year		430,500	189,916

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

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BALANCE SHEET
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Subsidiaries	5	1,147,954	1,185,671
Total non-current assets		1,147,954	1,185,671
Other receivables	6	180	180
Cash and cash equivalents		157	-*
Total current assets		337	180
Total assets		1,148,291	1,185,851
Share capital	7	1,400	1,419
Share premium	7	285,853	289,812
Treasury shares	7	(56,438)	-
Contributed surplus		685,913	685,913
Share-based payment reserve	7	3,905	2,141
Retained earnings		223,019	206,249
Total shareholder's equity		1,143,652	1,185,534
Trade and other payables	8	4,639	317
Total liabilities		4,639	317
Total equity and liabilities		1,148,291	1,185,851

* Amount less than US$1,000

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

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STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Contributed surplus US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total US$'000
Balance at 1 January 2023		1,419	289,812	-	685,913	2,141	206,249	1,185,534
Profit for the financial year		-	-	-	-	-	430,500	430,500
Total comprehensive income for the financial year		-	-	-	-	-	430,500	430,500
Share-based payment reserve - Value of employee services	7	-	-	-	-	1,696	-	1,696
Purchase of treasury shares	7	-	-	(68,653)	-	-	-	(68,653)
Shares options exercised		-	-	-	-	68	-	68
Dividends paid	11	-	-	-	-	-	(405,493)	(405,493)
Shares cancellation		(19)	(3,959)	12,215	-	-	(8,237)	-
Total transactions with owners, recognised directly in equity		(19)	(3,959)	(56,438)	-	1,764	(413,730)	(472,382)
Balance at 31 December 2023		1,400	285,853	(56,438)	685,913	3,905	223,019	1,143,652

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

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STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 December 2023

	Note	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total US$'000
Balance at 1 January 2022		1,419	289,812	685,913	922	143,038	1,121,104
Profit for the financial year		-	-	-	-	189,916	189,916
Total comprehensive income for the financial year		-	-	-	-	189,916	189,916
Share-based payment reserve - Value of employee services	7	-	-	-	1,219	-	1,219
Dividends paid	11	-	-	-	-	(126,705)	(126,705)
Total transactions with owners, recognised directly in equity		-	-	-	1,219	(126,705)	(125,486)
Balance at 31 December 2022		1,419	289,812	685,913	2,141	206,249	1,185,534

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

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STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Profit before tax for the financial year		430,500	189,916
Adjustments for:			
- share-based payment		1,696	1,219
- non-cash dividend income		(450,000)	(180,000)
Operating cash flow before working capital changes		(17,804)	11,135
Changes in working capital:			
- trade and other payables		4,389	10
Net cash (used in)/provided by operating activities		(13,415)	11,145
Cash flow from investing activities			
Dividends received on behalf by a subsidiary [1]		450,000	180,000
Receivables from subsidiaries [2]		(17,648)	(64,440)
Net cash provided by investing activities		432,352	115,560
Cash flow from financing activity			
Purchase of treasury shares		(13,287)	-
Dividends paid on behalf by a subsidiary [1]		(405,493)	(126,705)
Net cash used in financing activity		(418,780)	(126,705)
Net increase in cash and cash equivalents		157	-
Cash and cash equivalents at beginning of the financial year		-	-
Cash and cash equivalents at end of the financial year		157	-

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

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

1. General information

BW LPG Limited (the "Company") is listed on the Oslo Stock Exchange and incorporated and domiciled in Bermuda. The address of its registered office is c/o Inchona Services Limited, Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, HM 1189, Hamilton HM EX, Bermuda.

The principal activity of the Company is that of investment holding.

These financial statements were authorised for issue by the Board of Directors of BW LPG Limited on 27 March 2024.

2. Material accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards, and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

New standards, amendments to published standards and interpretations

The Company has adopted the new standards and amendments to published standards as at 1 January 2023. Changes in the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and amendments.

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

Critical accounting estimates, assumptions and judgements

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

(b) Revenue and income recognition

Dividend income

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

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2. Material accounting policies (continued)

(c) Interest in subsidiaries

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

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

(d) Impairment of non-financial assets

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

(e) Fair value estimation of financial assets and liabilities

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

(f) Foreign currency translation

(1) Functional currency

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

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

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2. Material accounting policies (continued)

(g) Share capital

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

(h) Dividend to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

3. Expenses by nature

	2023 US$'000	2022 US$'000
Directors' fees	376	376
Share-based payments - equity settled	1,696	1,219
Fees to auditors of Company and other firms affiliated with KPMG International Limited:		
- Audit	1,787	200
- Other services	49	-
Legal and professional fees	2,484	26
Support service fees charged by subsidiaries	2,931	2,506
Other expenses	443	398
Total other operating expenses	9,766	4,725
Foreign currency exchange (loss)/gain - net [1]	(9,734)	14,641

[1] Mainly attributable to currency exchange movement on foreign currency denominated intercompany balances with a Company's subsidiary which are eliminated on consolidation.

4. Income tax

No provision for tax has been made for the year ended 31 December 2023 and 2022 as the Company does not have any income that is subject to income tax based on the tax legislation applicable to the Company.

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

5. Subsidiaries

	2023 US$'000	2022 US$'000
Equity investments at cost	685,910	685,920
Receivables from subsidiaries	462,044	499,751
	1,147,954	1,185,671

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

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5. Subsidiaries (continued)

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

Name of company	Principal activity	Country of incorporation	Equity holding 2023	Equity holding 2022
BW LPG Holding Pte. Ltd.	Investment holding	Singapore	**100%**	100%
BW LPG Product Services Limited	Investment holding	Bermuda	**-***	100%

*Company was liquidated during the financial year

6. Other receivables

	2023 US$'000	2022 US$'000
Other receivables - related parties ^	6	6
Other receivables - non-related parties	174	174
	180	180

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

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

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

7. Share capital and other reserves

(a) Issued and fully paid share capital

(i) As at 31 December 2023, the Company's authorised share capital is US$1,620,000 divided into 162,000,000 common shares of US$0.01 each, with 140,000,000 issued and fully paid shares.

As at 31 December 2022, the Company's authorised share capital is US$1,620,000 divided into 162,000,000 common shares of US$0.01 each with 141,939,998 issued and fully paid shares.

Fully paid common shares carry one vote per share and carry a right to dividend as and when declared by the Company.

(ii) The Company operates two equity-settled, share-based compensation plans. The 2017 Long-Term Incentive Plan ("LTIP 2017") was fully awarded in 2021. At the end of the vesting periods between February 2020 and February 2024, common shares of 2,043,784 may be acquired by certain employees, from the Company at a predetermined strike price. Under the 2022 Long-Term Incentive Plan ("LTIP 2022"), at the end of the vesting periods between February 2025 and February 2029, common shares of 3,463,336 may be acquired by certain employees from the Company at a predetermined strike price.

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7. Share capital and other reserves (continued)

(b) Share premium

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

(c) Share-based payment reserve

Certain employees are entitled to receive common shares in the Company. This award is recognised as an expense in the consolidated profit or loss with a corresponding increase in the share-based payment reserve over the vesting periods. For the year ended 31 December 2023, an expense of US$1.7 million (2022: US$1.4 million) was recognised in the profit or loss with a corresponding increase (2022: increase) recognised in the share-based payment reserve.

(d) Treasury shares

	Number of shares	Amount
	2023	2023
	'000	US$'000
Balance as at 1 January	-	-
Transfer of treasury shares	9,554	55,366
Purchases of treasury shares	1,311	13,287
Cancellation of treasury shares	(1,939)	(12,215)
Balance as at 31 December	8,926	56,438

In FY2023, a wholly owned subsidiary of the Company transferred its holding of 9,554,003 shares in the Company to the Company as part of an internal reorganization, following which, the Company further resolved to cancel 1,938,998 treasury shares in the Company. The Company also purchased a total of 1,311,100 of its own common shares at an average price of US$10.14 (NOK106.90) per share for an aggregate consideration of US$13.3 million (NOK140.2 million).

8. Trade and other payables

	2023	2022
	US$'000	US$'000
Trade payables - non-related parties	6	48
Other accrued operating expenses	4,633	269
	4,639	317

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

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9. Related party transactions

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

(a) Services

	2023 US$'000	2022 US$'000
Corporate service fees charged by subsidiaries	2,931	2,506

(b) Key management's remuneration

	2023 US$'000	2022 US$'000
Directors' fees	376	376

10. Financial risk management

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

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

(a) Market risk – Currency risk

The Company is exposed to currency risk arising from payables to a subsidiary that are denominated in a currency other than the Company's functional currency. The currency in which these payables are denominated are in Norwegian Krone ("NOK") of US$ 432.0 million (2022: US$171.2 million). A reasonable possible strengthening of the USD against NOK by 3% would have increased profit before tax by US$12.9 million (2022: US$5.1 million). This analysis assumes all other variables remain constant.

(b) Credit risk

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

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10. Financial risk management (continued)

(c) Liquidity risk

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

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

	Less than 1 year US$'000
At 31 December 2023	
Trade and other payables	4,639
At 31 December 2022	
Trade and other payables	317

(d) Capital risk

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

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2023 and 31 December 2022.

(e) Financial instruments by category

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

	2023 US$'000	2022 US$'000
Financial assets at amortised cost	462,224	499,931
Financial liabilities at amortised cost	4,639	317

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11. Dividends paid

	2023 US$'000	2022 US$'000
Final dividend paid in respect of FY 2022 of US$0.52 (2022: in respect of FY 2021 of US$0.18) per share	**68,731**	24,182
Interim dividend paid in respect of Q1 2023 of US$0.95 (2022: in respect of Q1 2022 of US$0.31) per share	**125,734**	42,072
Interim dividend paid in respect of Q2 2023 of US$0.81 (2022: in respect of Q2 2022 of US$0.20) per share	**106,127**	26,528
Interim dividend paid in respect of Q3 2023 of US$0.80 (2022: in respect of Q3 2022 of US$0.25) per share	**104,901**	33,923
	405,493	126,705

The Board has declared a final cash dividend of US$0.90 per share for 2023, amounting to US$118.0 million. Together with the interim dividend paid for Q1 2023 of US$0.95 per share, Q2 2023 of US$0.81 per share and Q3 2023 of US$0.80 per share, the total dividend payout for FY 2023 will amount to US$3.46 per share or US$454.8 million. The shares will be traded ex-dividend on and after 5 March 2024. The dividend will be payable on or about 22 March 2024 to shareholders of record as at 6 March 2024.

12. New or revised accounting standards and interpretations

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

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

08 ESG Report

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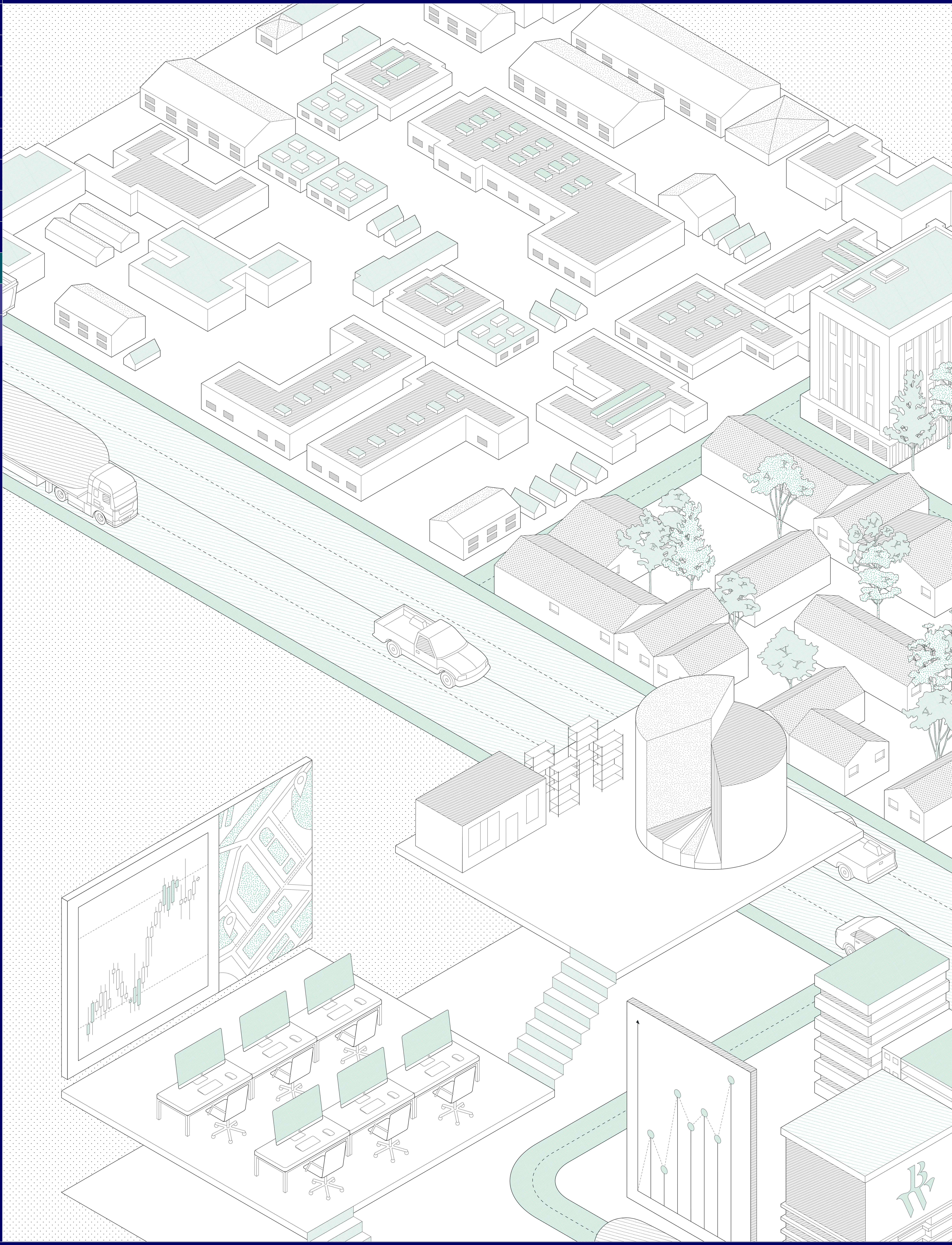

ESG Report

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Performance Metrics

Information on the Group's non-financial performance can be found at the links below. Unless otherwise stated, the ESG performance data is reported on the basis of the same principles as the financial statements.

Certain prior year data has been restated based on improvements made to reporting processes and data quality within the reporting year.

ESG Pillar	Material Topics	Performance Data	
Environment	• Climate Change	→ *Emissions*	→ *Comments on Environment Data*
	• Emissions and Energy	→ *Carbon Intensity* → *Energy*	
	• Protecting Biodiversity	→ *Ship Recycling and Ecological Impacts*	
Social	• Working Environment	→ *Health and Safety* → *Training*	→ *Comments on Social Data*
	• Recruitment, Development and Retention	→ *Crew and Employee*	
Governance	• Business Conduct	→ *Board Diversity* → *Anti-Corruption Risks and Incidents*	→ *Comments on Governance Data*
	• Effective Management	→ *Activity Metrics* → *Economic Performance and Contributions*	
	• Supply Chain	→ *Supply Chain*	

ESG Indexes

Guidance on how BW LPG covers reporting of ESG-related matters is based on the following reporting standards. Links to the ESG indexes are provided below for reference.

SASB® STANDARDS
Now part of IFRS Foundation

SASB Alignment →

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD Alignment →

GRI

GRI Content Index →

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