



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	910 517 694
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BW LNG AS
Forretningsadresse:	Karenslyst allé 6 0278 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Yining Feng
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.09.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue	9	317 566 000	220 037 000
Sum inntekter		317 566 000	220 037 000
Kostnader			
Salaries, social security and pensions	10	194 453 000	123 753 000
Depreciation	1	1 627 000	625 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		5 072 000	
Other expenses		98 064 000	82 005 000
Sum kostnader		299 217 000	206 384 000
Driftsresultat		18 349 000	13 653 000
Finansinntekter og finanskostnader			
Income from subsidiaries	2		
Net foreign exchange gain		11 691 000	304 000
Sum finansinntekter		11 691 000	304 000
Other financial income / (expenses)		-857 000	236 000
Sum finanskostnader		-857 000	236 000
Netto finans		12 548 000	68 000
Ordinært resultat før skattekostnad		30 897 000	13 721 000
Income tax	8	6 877 000	7 107 000
Ordinært resultat etter skattekostnad		24 019 000	6 614 000
Årsresultat		24 019 000	6 614 000
Årsresultat etter minoritetsinteresser		24 019 000	6 614 000
Totalresultat		24 019 000	6 614 000
Overføringer og disponeringer			
Transferred to/from other equity		24 019 000	6 614 000



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Sum overføringer og disponeringer		24 019 000	6 614 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Real estate	1	856 000	856 000
Office equipment	1	13 631 000	11 284 000
Sum varige driftsmidler		14 487 000	12 140 000
Finansielle anleggsmidler			
Investering i datterselskap	2	25 136 000	25 109 000
Investering i annet foretak i samme konsern		367 000	367 000
Lån til foretak i samme konsern		5 770 000	100 000
Investeringer i tilknyttet selskap		7 919 000	
Pension assets	7		14 889 000
Sum finansielle anleggsmidler		39 193 000	40 465 000
Sum anleggsmidler		53 680 000	52 605 000
Omløpsmidler			
Varer			
Fordringer			
Non-interest bearing receivables	3	253 285 000	776 613 000
Konsernfordringer		532 000	
Sum fordringer		253 816 000	776 613 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		128 818 000	31 703 000
Sum bankinnskudd, kontanter og lignende		128 818 000	31 703 000
Sum omløpsmidler		382 634 000	808 316 000
SUM EIENDELER		436 314 000	860 921 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4, 5	128 348 000	128 348 000
Sum innskutt egenkapital		128 348 000	128 348 000
Opptjent egenkapital			
Retained earnings	4	20 247 000	26 274 000
Sum opptjent egenkapital		20 247 000	26 274 000
Sum egenkapital		148 595 000	154 622 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	7	38 246 000	
Utsatt skatt	8	1 804 000	15 948 000
Derivative financial instruments		5 854 000	
Other long-term liabilities			30 000
Sum avsetninger for forpliktelser		45 904 000	15 978 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		45 904 000	15 978 000
Kortsiktig gjeld			
Tax payable	8	12 540 000	3 253 000
Public duties payable		7 347 000	10 387 000
Kortsiktig konserngjeld		7 669 000	
Other non interest-bearing liabilities	3	214 259 000	676 681 000
Sum kortsiktig gjeld		241 816 000	690 321 000
Sum gjeld		287 720 000	706 299 000
SUM EGENKAPITAL OG GJELD		436 315 000	860 921 000



Skattedirektoratet

Saksbehandler Geir Johannessen	Deres dato 06.01.2014	Vår dato 20.01.2014
Telefon 22 66 11 14	Deres referanse Bård Haugan	Vår referanse 2014/29496

BW GAS AS
Postboks 443
1327 LYSAKER

23 JAN 2014

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 6. januar 2014, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk fra og med regnskapsåret 2013 for disse selskapene:

BW LPG I AS	org.nr. 990 000 379
BW Green Carriers AS	org.nr. 990 648 883
BW Green Transport AS	org.nr. 990 648 840
Partrederiet Bergesen D Y Shipping DA	org.nr. 977 249 759
BW LPG Partners AS	org.nr. 912 608 123
AS Havgas Partners	org.nr. 957 933 734
KS Havgas Partners	org.nr. 957 933 912
Partrederiet BW Gas GDF Suez EMT DA	org.nr. 982 954 576
SLNG Yemen I AS	org.nr. 988 791 237
SLNG Yemen II AS	org.nr. 988 791 261
BW Gas AS	org.nr. 910 517 694
BW Gas LPG III AS	org.nr. 994 420 992
BW Gas NIS Manning AS	org.nr. 991 647 368
BW Gas Foreign Manning AS	org.nr. 991 647 295
BW Fleet Management AS	org.nr. 993 279 986
Berge Arzew Partner AS	org.nr. 986 338 217
BW LPG AS	org.nr. 812 607 812
BW Ventures AS	org.nr. 996 684 210

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Bakgrunn

Selskapene inngår i BW Group konsernet og i BW LPG Ltd konsernet. BW Group konsernet har en eierandel på 45% i BW LPG Ltd konsernet. BW Group konsernet er et av verdens ledende shippingkonsern og er involvert i transport av olje og gass, flytende gass infrastruktur, miljøteknologi og dypvannsproduksjon. BW LPG Ltd konsernet frakter flytende petroleum gass (LPG) og er verdens største eier og operatør av store gasskip (VLGC). Majoriteten av den operative driften i disse konsernene finner sted i Singapore, mens befraktningen skjer globalt.

De norske selskapene leverer hovedsakelig konserninterne tjenester innenfor befraktning, personell, operasjon og forretningsførsel av skip og skipseiende selskap innenfor konsernene. Majoriteten av selskapenes inntekter og forpliktelser er i USD, og språket som benyttes i kommunikasjon i konsernene er i all hovedsak engelsk.

BW LPG Limited, som er morselskapet i BW LPG limited konsernet, er registrert i Bermuda. BW LPG Limited er notert på Oslo Børs og bruker engelsk i all informasjon som sendes til Børsen. Konsernet BW Group er privat eid med eiere basert fra Singapore.

Selskapene er i hovedsak konserninternt finansiert og konsernets eksterne finansieringsavtaler er inngått på engelsk.

Det opereres innen en internasjonal bransje med profesjonelle og store aktører. De fleste aktørene i bransjen har engelsk som arbeids- og rapporteringsspråk, uavhengig av hvor de er lokalisert. Selskapets konkurrenter er i hovedsak andre større internasjonale olje- og gass befraktere.

Kundene består av store internasjonale foretak som benytter seg av skipene ved transport av olje og gass. Konsernet opererer internasjonalt og leverandørmassen er således i hovedsak også internasjonal og bransjerelatert.

Ledelse og ansatte benytter engelsk som arbeidsspråk.

Fordi markedet for skipsbefraktning er globalt og engelsk er språket som primært benyttes, er også BW sine nettsider på engelsk.

Det er selskapenes vurdering at det er en unødvendig tids- og kostnadsulempe for selskapene å oversette årsregnskapet fra engelsk til norsk. Hensynet til sentrale brukere av regnskapsmaterialet ivaretas minst like godt og i stor utstrekning bedre ved at selskapene kun utarbeider årsregnskap og årsberetning på engelsk. Ettersom engelsk også er språket som primært benyttes innenfor bransjen disse selskapene opererer i, kan selskapene heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal ”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at de norske selskapene inngår i konserner med utenlandsk registrerte morselskaper, som kontrolleres av utenlandske eiere eller andre profesjonelle investorer. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapene driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Geir Johannessen





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ANNUAL REPORT 2022

BW LNG AS

Operations and location

The Company is a holding company for the Norwegian portfolio of BW LNG AS Group companies, having its business in international shipping. The Company is engaged in providing operational services to vessels and acting as business manager of vessels and vessel-owning companies. The registered office of the Company was moved from Lysaker to Oslo, Norway in October 2022, and the Company's legal name was changed from BW GAS AS to BW LNG AS.

Going concern

Pursuant to section 4-5, confer section 3-3a of the Norwegian Accounting Act, it is hereby confirmed that the financial statements have been prepared under the assumption that the Company is a going concern and that the conditions are present.

Comments to the financial statements

BW LNG AS' operating revenue increased from NOK 220 million in 2021 to NOK 318 million in 2022. Net profit for the year was NOK 24 million, compared to a net profit of NOK 6.6 million in 2021. The operating profit increased from a profit of NOK 13.7 million in 2021 to a profit of NOK 18.3 million in 2022.

BW LNG AS had liquid reserves of NOK 128.9 million as at 31.12.2022, compared to NOK 31.7 million as at 31.12.2021. The Company's liquidity is considered good.

The Company's total assets at year-end 2022 amounted to NOK 436.3 million, compared to NOK 852.9 million at the previous year-end. The equity ratio was 32.07% as of 31 December 2022, compared to 18.1% the year before.

The Board of Directors believes that the financial statements give a fair and true presentation of the Company's assets, debt, financial position and results. The Board is not aware of any conditions after the year-end that are of significant importance for the evaluation of the Company's financial position.

Future challenges

The development of the Company's revenue is dependent upon the number of vessels and vessel-owning companies under the Company's management.

Risk factors

The Company's activities are exposed to a variety of financial risks; price risk (including currency risk, interest rate risk and market risk), credit risk, liquidity risk and interest rate risk. BW LNG AS' revenue and expenses are mainly in NOK, while receivables and debt are nominated both in NOK and USD.

The Company provides services mainly to other group companies and associated companies and the risk for loss on receivables are considered to be low, as the group companies historically have fulfilled their obligations.

BW Group has purchased and maintains a Directors Liability Insurance on behalf of the members of the Board of Directors of the Company. The insurance policy is issued by a reputable insurer with an appropriate rating.

Working environment and employees

The Company had 78 employees as of 31.12.2022 (2021:79), of which 26,5% (2021:28%) are women. The Board of Directors consists of 1 man and 2 women (2021: 2 men and 1 woman). The Company's ambition is to exercise a better gender balance and has incorporated several policies and actions aiming to avoid any discrimination.

Leave of absence due to illness amounted to 1.6% of the Company's total working hours in 2022, compared to 1.0% in 2021.



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External environment

The Company's operations do not result in pollution or spillage harmful to the external environment other than what is considered common for this type of business. No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

Norwegian Transparency Act

The Company has prepared a report in compliance with the Norwegian Transparency Act, which is made available to the public on our website www.bw-group.com on 30 June 2023.

Allocation of net profit

The Board of Directors has proposed the net profit of BW LNG AS of NOK 24 million to be transferred to retained earnings.

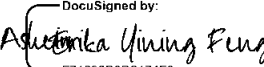
Oslo, 30.06.2023

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Billy Chiu

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79E38F7C92D24C6
Yngvil Asheim

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Erika Yining Feng



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BW LNG AS

Notes to the accounts for 2022

(Amounts in 1.000 NOK)

REVENUE STATEMENT

BW LNG AS

Amounts in thousand NOK

OPERATING INCOME AND OPERATING EXPENSES	Note	2022	2021
Operating revenue	9	317 566	220 037
Salaries, social security and pensions	10	-194 453	-123 753
Depreciation	1	-1 628	-625
Fair value loss on derivative financial instruments		-5 072	0
Other expenses		-98 064	-82 005
Operating profit		18 349	13 653
FINANCIAL INCOME AND EXPENSES			
Net foreign exchange gain		11 690	304
Other financial income / (expenses)		857	-236
Net financial items		12 547	68
Profit before tax		30 896	13 721
Income tax	8	-6 877	-7 107
Net profit		24 019	6 614
Net profit		24 019	6 614
DISPOSALS AND TRANSFERS			
Transferred to/from other equity		24 019	6 614
Total disposals and transfers		24 019	6 614



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BW LNG AS

Notes to the accounts for 2022

(Amounts in 1.000 NOK)

BALANCE SHEET

BW LNG AS
Amounts in thousand NOK

ASSETS	NOTE	2022	2021
NON-CURRENT ASSETS			
TANGIBLE FIXED ASSETS			
Real estate	1	856	856
Office equipment	1	13 631	11 284
Total tangible fixed assets		14 487	12 140
FINANCIAL LONG-TERM ASSETS			
Investments in subsidiaries	2	25 136	25 109
Other investments		367	367
Staff loan		5 770	100
Derivative financial instruments		7 919	0
Pension assets	7	0	14 889
Total financial long-term assets		39 192	40 465
Total non-current assets		53 679	52 605
CURRENT ASSETS			
CURRENT RECEIVABLES			
Derivative financial instruments		532	0
Non-interest bearing receivables	3	253 284	768 595
Total current receivables		253 816	768 595
Cash and cash equivalents		128 818	31 703
Total current assets		382 634	800 298
Total assets		436 313	852 903



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BW LNG AS

Notes to the accounts for 2022
(Amounts in 1.000 NOK)

BALANCE SHEET

BW LNG AS
Amounts in thousand NOK

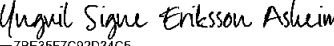
EQUITY AND LIABILITIES	NOTE	2022	2021
EQUITY			
PAID IN EQUITY			
Share capital	4, 5	128 348	128 348
Total paid in equity		128 348	128 348
RETAINED EARNINGS			
Retained earnings	4	20 247	26 274
Total retained earnings		20 247	26 274
Total equity		148 595	154 622
LIABILITIES			
LONG-TERM PROVISIONS			
Net pension liabilities	7	38 246	0
Deferred tax	8	1 804	15 948
Derivative financial instruments		5 854	0
Other long-term liabilities		0	30
Total provisions		45 904	15 978
CURRENT LIABILITIES			
Tax payable	8	12 540	3 253
Public duties payable		7 347	8 057
Derivative financial instruments		7 669	0
Other non interest-bearing liabilities	3	214 258	670 993
Total current liabilities		241 814	682 303
Total liabilities		287 718	698 281
Total equity and liabilities		436 313	852 903

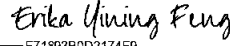
Oslo, 30.06.2023

The board of BW LNG AS

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Billy Chiu
Chairman of the board

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79E35E7C92D34C5
Yngvil Signe Eriksson Asheim
Member of the board/General Manager

DocuSigned by:

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Erika Yining Feng
Vice chairman



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BW LNG AS

CASH FLOW STATEMENT

Amounts in 1.000 NOK

	2022	2021
Cash flow from operating activities		
Profit before tax	30,896	13,721
Fair value loss on derivative financial instruments	5,072	0
Taxes paid	(3,253)	0
Pension cost	20,807	1,264
Paid in pension scheme	(6,193)	(9,936)
Depreciation	1,628	625
Changes in short-term items	57,868	(28,011)
Group tax relief received	(35)	(4,173)
Net cash flow from / (used in) operating activities	106,790	(26,510)
Cash flow from investing activities		
Investment in fixed assets	(3,975)	(480)
Staff loan	(5,670)	-
Net cash flow used in investing activities	(9,645)	(480)
Cash flow from financing activities		
Net payments on long-term liabilities	(30)	(3,407)
Net cash flow used in financing activities	(30)	(3,407)
Net change in cash and cash equivalents	97,115	(30,396)
Cash and cash equivalents as of 01.01	31,703	62,100
Cash and cash equivalents as of 31.12	128,818	31,703



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BW LNG AS

Notes to the accounts for 2022

(Amounts in 1.000 NOK)

Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and generally accepted accounting principles in Norway. The accounting principles which are described below are applicable and accepted principles for companies owned by BW Group Ltd.

The Company is incorporated and domiciled in Norway. The activity of the Company is to be the Norwegian management Company for companies owned by BW Group Ltd. The Company has a currency risk as expenses is paid in NOK and revenue received is in USD and NOK.

Revenue recognition

Spot- and COA voyages (Contracts of Affreightment)

All voyage revenues and expenses are recognised on a percentage of completion basis. The Company uses a discharge to discharge basis in determining percentage of completion for all spot voyages and voyages servicing contracts of affreightment ("COAs").

Demurrage:

Demurrage is included if a claim is considered probable.

Classification and valuation of balance sheet items

Assets intended for long term ownership or use, have been classified as non-current assets.

Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Assets that are linked to freight and chartering business have been classified as current assets. Similar criteria apply to liabilities.

Current assets are valued at the lower of purchase cost and net realisable value. Short-term liabilities are reflected in the balance sheet at nominal value on the establishment date.

Long-term liabilities, except other accruals, are reflected in the balance sheet at nominal value on the establishment date. Accruals are included at present value if the interest element is material.

Fixed assets and depreciations

Fixed assets are included at cost, reduced for accumulated depreciations and impairment charges. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the estimated remaining useful economic life. When there are indicators of impairments of fixed assets, an assessment is made as to whether the value in use or net sales value is less than their book value. The value in use is estimated using the present value of projected future cash flows. Fixed assets are written down to the higher of net market value and value in use when both are less than the book value. An impairment loss recognised in prior years is reversed if the current estimated value in use is higher than at the time the impairment loss was recognised.

Intangible assets

Intangible assets acquired are capitalised at cost, and is depreciated over the useful lives of the assets. The useful lives are assessed on an annual basis. Adjustments in useful lives, where applicable, are made on a prospective basis.

Subsidiaries, associated companies and joint ventures

Subsidiaries and investments in associates are valued by the cost method. The investment is valued as cost of acquiring shares providing that write down is not required. Write-down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write-down are no longer present.

Dividends and other contributions are recognised in the same year as appropriated in the subsidiary/associated Company accounts. If dividends exceeds the relative share of earned profits after acquisition, the exceeding amounts represents reimbursement of invested capital, and the distribution will be subtracted from the value of the investment in the balance sheet.



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BW LNG AS

Notes to the accounts for 2022

Shares, bonds and certificates

Financial investments in shares are classified as current assets, whereas long-term investments are classified as fixed assets. Bonds, certificates and shares held as current assets are valued on an individual basis and carried at the lower of cost and net realisable value. Long-term investments are included in the accounts using the cost method. Shares presented as fixed assets are written down to net realisable value in the event of a permanent and material diminution in value. When shares are sold, the capital gain/loss is calculated on the basis of the average price paid.

Receivables

Receivables are entered in the balance sheet at face value with a deduction for expected loss. The loss allocation is entered according to individual assessments for each opponent.

Tax

The tax charge reported includes both the tax payable for the period and the change in deferred tax. Deferred tax is included in the balance sheet as a long-term liability. The Company is subject to ordinary taxation.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, except for deductible temporary differences associated with investments in subsidiaries, associates or joint ventures, where deferred tax assets are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and tax on gain or loss on the investment is not excepted under the Norwegian tax system.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that there is no longer probable that sufficient profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply at the time when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognised at the nominal value.

Pension

The Company has two defined pension schemes, of which one is unfunded. A defined benefit plan defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension schemes are according to the law of public pension.

Defined contribution plan

With a defined contribution plan the Company pays contributions to an insurance Company. After the contribution has been made the Company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Defined benefit plan

The liability recognised on the balance sheet in respect of defined pension plans is the present value of the accrued future pension benefits at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. The discount rate has been based on interest rates on long term bonds, adjusted for differences in maturity.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employee remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the initial transaction. The USD/NOK exchange rate per 31 December 2022 is 9,9066, compared to 8,8250 per 31 December 2021.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits, which immediately and with minimal exchange risk can be converted into known cash amounts.

Derivative financial instruments

The accounting rules for derivatives under Norwegian GAAP are specified in NRS 14 Financial Instruments: Recognition and Measurement. NRS 14 is based on IAS 39 and requires derivatives to be measured at fair value through profit or loss, unless they are designated as hedging instruments.



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BW LNG AS

Notes to the accounts for 2022

Note 1 Fixed assets

	Real estate	Other assets	Art	Total
Cost price 01.01.	856	13,386	9,619	23,861
Additions	-	3,975	-	3,975
Disposals	-	(12,249)	-	(12,249)
Cost price 31.12	856	5,112	9,619	15,587
Accumulated depreciation 01.01.	-	(11,721)	-	(11,721)
Depreciation in the year	-	(1,628)	-	(1,628)
Disposal accumulated depreciations	-	12,249	-	12,249
Accumulated depreciation/write down 31.12.	-	(1,100)	-	(1,100)
Book value 31.12	856	4,012	9,619	14,487

Expected useful life ¹⁾ 5-10 years
Depreciation plan Linear

1) The Company's real estate consists of the Company's cabins which are not depreciated. The cabins are for welfare used by the employees. The Company's cabins are located in Tanumstrand, Sweden.

2) 9,6 millions of the book value are related to art, and are not depreciated.

The Company has entered into an operating lease agreement for the office building, the rental period is until 2029. The annual cost is NOK 12,4 millions.

Note 2 Subsidiaries

Investments in subsidiaries are recognised at cost.

The Company is exempt from the consolidation requirement, ref. The Accounting Act § 3-7, as the Company and its subsidiaries are included in the group accounts of the parent Company BW Gas Pte. Ltd.

Subsidiaries	Registered office	Ownership	Equity 2022 (100%)	Net profit/(loss) 2022 (100%)	Net book value
BW Fleet Management AS	Oslø	100%	12,802	(3,184)	1,617
BW Gas Foreign Manning AS	Oslø	100%	120	(27)	174
BW Gas NIS Manning AS	Oslø	100%	70,434	2,003	23,345
Book value 31.12.					25,136

Note 3 Receivables and liabilities

	2022	2021
Non-interest bearing receivables*	253,284	788,595
Of this from fellow subsidiaries	14,621	463,632
Of this from associated companies	235,414	302,110
Other non-interest bearing liabilities**	214,258	670,993
Of this to fellow subsidiaries	23,091	590,683
Of this to associated companies	124,562	149

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

**Non-interest bearing liabilities due to related parties are unsecured, interest free and repayable on demand.



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BW LNG AS

Notes to the accounts for 2022

Note 4 Equity

Equity change in the year	Share capital	Other paid-in equity	Retained earnings	Total
Equity 01.01	128,348	-	26,274	154,622
Net Profit of the year	-	-	24,019	24,019
Remeasurement loss	-	-	(30,046)	(30,046)
Equity 31.12	128,348	-	20,247	148,595

Note 5 Share capital and shareholder information

The share capital is as follows:	Shareholder	Number of shares	Nominal value	Net book value
Ordinary shares	BW Gas Pte. Ltd.	1	128,347,885	128,347,885

The Company is a part of BW group. Consolidated group accounts are available at the parent Company's office, BW Gas Pte. Ltd. The address of its registered office is 10 Pasir Panjang Road, #18-01, Mapletree Business City, Singapore 117438.

Note 6 Financial risk

The Company's activities are exposed to a variety of financial risks; price risk (including currency risk, interest rate risk and market risk), credit risk, liquidity risk and interest rate risk.

Currency risk

The Company's income and expenses are mainly denominated in NOK, while receivables and debt is denominated both in USD and NOK. The Company has implemented a hedging strategy to keep USD denominated receivables and debt on the approximately same level, and has entered into foreign exchange rate hedging instruments on net foreign currency balance. The Company's subsidiaries within shipping activity have mainly a USD denominated activity, and fluctuations in exchange rates might affect the valuation of the stockholdings as well as the dividend capacity.

Cash flow and interest rate risk

The Company is exposed to interest rate fluctuations, but part of the exposure is neutralised by having both receivables and debt on floating interest rates.



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BW LNG AS

Notes to the accounts for 2022

Note 7 Pension costs

BW LNG AS operates group pension plans for groups of employees through independent funds and life insurance companies. The pension entitlements are accrued on a linear basis over a service life of 30 years. For office employees, the plans provide for a retirement pension of 66% of pensionable pay from the age of 67 as well as benefits for surviving spouses/dependants and a disability pension. The pension plans are coordinated with anticipated state pension benefits.

The Company also has some pension obligations that are not covered by these group plans. These relate to early retirement pensions for office employees and employees not eligible for the group pension plans.

The values of plan assets and obligations are based on estimates, which are adjusted each year in line with information on the market value of plan assets and actuarial calculations of obligations. The calculation of the obligations is also based on the assumption that 90% of the workforce will accept the early retirement option at age 64. The group applies the most recent actuarial demographic statistics for disability and the most recent actuarial demographic statistics for mortality.

On 21 November 2022, the Company signed an agreement to transfer the fully funded pension policies amounting to NOK 197,155,309 (final price to be settled on liquidation of the Pension Fund) to Storebrand Livsforsikring AS ("Storebrand"), subject to approval from Financial Supervisory Authority of Norway ("Finanstilsynet"). The fully funded pension is to be liquidated and will not have any outstanding obligations after the transfer to Storebrand. As of 31 December 2022, there are no immediate accounting implications as the pension fund were not deemed disposed due to the outstanding approvals mentioned. The remainder unfunded pension liabilities amounted to NOK 67,379,745.

Annual pension cost	2022	2021
Service cost	21,372	1,193
Interest cost	(565)	71
Pension cost	20,807	1,264

Pension assets and liabilities	2022	2021
Fair value of plan assets	226,269	260,000
Estimated pension obligations	(264,535)	(245,111)
Net pension assets (- liabilities) on the balance sheet	(38,246)	14,889

Net movement in the liability recognised on the balance sheet:	2022	2021
At the beginning of the period	14,889	(16,452)
Pension cost for the period	(20,807)	(1,264)
Net contribution paid	6,193	9,936
Remeasurements gain (loss)	(38,521)	22,669
At end of the period	(38,246)	14,889

The principal actuarial assumptions used for the pension obligation is equal for both secured and unsecured pension scheme:
The Company has applied K2013 for mortality rate.

	2022	2021
Discount rate	3.00%	1.90%
Future salary increases	3.50%	2.75%
Future pension increases	1.50%	0.10%
Future public regulations of pension	3.25%	2.50%



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BW LNG AS

Notes to the accounts for 2022

Note 8 Tax

Deferred tax

Temporary differences	2022	2021
Fixed assets	562	323
Gain and loss account	46,846	58,558
Pension liabilities	(38,246)	14,889
Accrued restructuring costs	(963)	(1,277)
Net temporary differences	8,199	72,493
Tax losses carried forward	-	-
Basis for deferred tax	8,199	72,493
22% deferred tax	1,804	15,948
Deferred tax in the balance sheet	1,804	15,948

Basis for income tax, change in deferred tax and tax payable

	2022	2021
Profit before tax	30,896	13,721
Permanent differences	364	88
Received group contribution without tax effects	-	-
Remeasurements gain/(loss) recognized directly in equity	(38,521)	22,669
Basis for tax charges in the year	(7,261)	36,478
Change in temporary differences	64,294	(17,518)
Basis for tax payable in the income statement	57,033	18,960
Utilized tax losses carried forward	-	-
Group contributions	(35)	(4,173)
Taxable profits (basis for payable tax in the balance sheet)	56,998	14,786

Tax expense

	2022	2021
Tax payable	12,547	3,253
Deferred tax expense pension	8,474	-
Change in deferred tax	(14,144)	3,854
Total tax expense/income	6,877	7,107

Recognized tax payable

Tax payable	12,547	4,171
Effect from group contribution	(7)	(818)
Tax payable in the balance sheet	12,540	3,253

Note 9 Revenue

Operating revenue

The Company's operating income consists mainly of service fees from other group companies related to technical and commercial operation of vessels, in addition to management fee for the same companies.



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BW LNG AS

Notes to the accounts for 2022

Note 10 Number of employees and remunerations etc.

Staff costs	2022	2021
Wages and salaries ¹⁾	87,315	81,332
Social security tax	15,956	14,113
Pension cost	12,813	14,237
Other salary costs	78,369	14,071
Total staff costs	194,453	123,753
Loans to employees ²⁾	5,770	0
Average number of employees in the administration	78	79

¹⁾ Wages and salaries includes administrative personnel.

²⁾ Loan to employees are charged with the interest rate given by the Norwegian Ministry of Finance.

Remuneration to the general manager (in 1.000)	2022	2021
Salary	5,388	5,077
Other benefits	35	14
Bonus	5,200	1,694
Total	10,623	6,785

The general manager is included in the Company's pension-, insurance- and medical schemes, other benefits include free telephone and newspapers.

Board of directors

There is no remuneration to managing director or the board of directors.

There is no agreement for servants pay to managing director or board of directors.

Audit (in 1.000)	2022	2021
Remuneration to auditor are distributed accordingly:		
- Audit services	245	285
- Tax advisory services	27	-
Total	272	285

All amounts are exclusive VAT.

Note 11 Related party disclosures

	Ship management fee income	Commercial fee income	Corporate Service fee allocation	Other income	Total
From fellow subsidiaries	106,079	18,297	105,720	202	230,298
From associated companies	22,296	44,695	18,861	-	85,852
From external parties	-	-	-	1,416	1,416
Operating revenue	128,375	62,992	124,581	1,618	317,566

	Service fee expenses included in other expenses	Interest income included in other financial income
To fellow subsidiaries	(50,748)	7
To associated companies	(12,299)	0
Total	(63,047)	7

The Company provides services to facilitate and organise manning for the ship owning companies within the BW group.

The Company's subsidiaries' BW Gas NIS Manning AS and BW Foreign Manning AS are contractual parties to the employment contracts.

The manning cost is paid directly by the ship owning companies.

Manning cost organised by:	2022	2021
BW Gas NIS Manning AS	47,774	66,135
BW Foreign Manning AS	694,536	610,726
Total	742,310	676,861



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BW LNG AS

Notes to the accounts for 2022

Note 11 Restricted bank deposits

Restricted cash

	2022	2021
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	4,485	513
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Restricted bank deposits are for employees tax deduction.

Note 12 Presentation currency

The functional currency of the Company is NOK. This is also the presentation currency.

Daily exchange rates between USD/NOK during the fiscal year are used at the transaction dates, while monetary assets and liabilities in foreign currencies are translated at the rate at the balance sheet date as of 31.12. The applied USD/NOK exchange rate per 31.12.2022 is 9,9066.



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Independent Auditors' Report

To the General Meeting of BW LNG AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW LNG AS ("the Company", formerly named BW Gas AS), which comprise the balance sheet as at 31 December 2022, the revenue statement and cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion

- the accompanying financial statements comply with applicable statutory requirements, and
- the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards (IESBA Code)), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report on in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report



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- is consistent with the financial statements, and
- contains the information required by applicable legal requirements.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and Managing Director (management) are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally acceptable in Norway, 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 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose 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



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an opinion on the effectiveness of the Company'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 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 special purpose 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 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 a true and fair view.

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

Oslo, 30 June 2023
KPMG AS



Hendrik Leendert Oostenrijk
State Authorised Public Accountant



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PROTOKOLL FRA ORDINÆR GENERALFORSAMLING I BW LNG AS

Ordinær generalforsamling i BW LNG AS ble avholdt 30. juni 2023 i Karenslyst allé 6, Oslo.

På generalforsamlingen var samtlige aksjer representert ved fullmakt.

Erika Yining Feng ble valgt til møteleder. Generalforsamlingen godkjente enstemmig innkallingen og agenda.

Inger Ludvigsen ble enstemmig valgt til å medundertegne protokollen.

1. Fastsettelse av årsrapport

Selskapets forslag til årsberetning og årsregnskap for 2022 ble fastsatt som selskapets endelige årsrapport.

2. Disponering av årsresultatet

Årets overskudd på NOK 24.019.165 ble besluttet overført til konto for annen egenkapital.

3. Revisors beretning

Revisors beretning for 2022 ble fremlagt og godkjent. Beretningen var uten anmerkninger.

4. Revisors honorar

Honoraret til revisor for 2022 ble godkjent i henhold til regning.

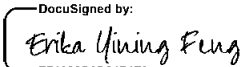
5. Styrehonorar

Det ble besluttet ikke å utbetale styrehonorar for 2022.

6. Eventuelt

Det ble ikke tatt opp flere saker.

Alle beslutninger var enstemmige. Det forelå ingen flere saker og møtet ble hevet.

DocuSigned by:

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Erika Yining Feng

MINUTES OF THE ORDINARY GENERAL MEETING IN BW LNG AS

An ordinary general meeting in BW LNG AS was held on 30 June 2023 at Karenslyst allé 6, Oslo.

All shares of the company were represented at the ordinary general meeting by proxy.

Erika Yining Feng was elected to chair the general meeting. The general meeting unanimously approved the notice and the agenda.

Inger Ludvigsen was unanimously elected to co-sign the minutes.

1. Approval of the financial statements

The company's draft for the 2022 annual report and annual accounts was set as the company's final financial statements.

2. Disposal of the year's net result

The year's net result of NOK 24.019.165 was decided booked to the account of other equity.

3. Auditor's statement

The Auditor's statement for 2022 was approved. The statement was without remarks.

4. Remuneration of the auditors

The remuneration of the auditors for 2022 was approved according to invoices.

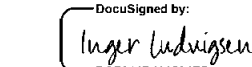
5. Remuneration for the board of directors

It was decided not to pay remuneration for the board of directors for 2022.

6. Miscellaneous

There were no other matters on the agenda.

All resolutions were unanimous. No further matters were discussed and the meeting was adjourned.

DocuSigned by:

DCE941D181504E5
Inger Ludvigsen



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in Singapore. Registration Number: 201717300E)

ANNUAL REPORT
For the financial year ended 31 December 2021



**BW GAS PTE. LTD.
AND ITS SUBSIDIARIES**
(Incorporated in Singapore. Registration Number: 201717300E)

ANNUAL REPORT
For the financial year ended 31 December 2021

Contents

	Page
Directors' Statement	1
Independent Auditors' Report	3
Consolidated Statement of Comprehensive Income	6
Balance Sheets	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	11



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2021

The directors present their statement to the member together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

With effect from 1 July 2021, the name of the Company was changed from BW LR2 Pte. Ltd. to BW Gas Pte. Ltd..

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 6 to 43 are drawn up so as to give a true and fair view of the financial position of the Company and consolidated financial position of the Group as at 31 December 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Billy Chiu
Nicholas John Oxleigh Fell

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2021

Independent auditor

The auditor, KPMG LLP, has indicated its willingness to accept re-appointment.

BILLY CHIU
Director

DocuSigned by:
Nicholas Fell
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NICHOLAS JOHN OXLEIGH FELL
Director

29 August 2022



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INDEPENDENT AUDITORS' REPORT

Member of the Company
BW Gas Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BW Gas Pte. Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 43.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information, which comprises the Directors' Statement, 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.

KPMG LLP (Registration No. T09LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act 2005 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

3



*BW Gas Pte. Ltd.
and its subsidiaries
Independent auditors' report
Financial year ended 31 December 2021*

INDEPENDENT AUDITORS' REPORT (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing 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 Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 controls.
- Obtain an understanding of internal controls 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*BW Gas Pte. Ltd.
and its subsidiaries
Independent auditors' report
Financial year ended 31 December 2021*

INDEPENDENT AUDITORS' REPORT (continued)

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

- 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 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 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 the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 August 2022



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

		The Group ⁽¹⁾	
	Note	2021 US\$'000	1 October 2020 to 31 December 2020 US\$'000
Revenue	3	33,883	10,077
Other operating income		221	234
Other operating expenses	4	(32,624)	(8,562)
Operating profit before depreciation and impairment		1,480	1,749
Impairment charge on receivables from an associate of the ultimate holding corporation	10	(5)	-
Depreciation charge	7	(1,139)	(289)
Operating profit		336	1,460
Foreign currency exchange (loss)/gain - net		(59)	380
Interest expense		(64)	(21)
Interest income		20	13
Other finance expenses - net		(57)	(21)
Finance (expenses)/income - net		(160)	351
Profit before income tax		176	1,811
Income tax expense	6	(1,411)	(1,393)
(Loss)/profit for the financial year/period		(1,235)	418
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Net gain on retirement benefit obligations	13	3,428	1,018
Other comprehensive income for the financial year/period, net of tax		3,428	1,018
Total comprehensive income for the financial year/period		2,193	1,436

⁽¹⁾ The Group was formed on 1 October 2020 following the acquisition of subsidiaries under common control (note 11).

*The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditors' Report – Page 3 to 5.*



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

BALANCE SHEETS
As at 31 December 2021

		The Group		Company	
	Note	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Property, plant and equipment	7	2,932	4,018	-	-
Investments in subsidiaries	8	-	-	48,290	48,290
Other receivables	9	11	12	-	-
Retirement benefit assets	13	15,072	9,470	-	-
Total non-current assets		18,015	13,500	48,290	48,290
Trade and other receivables	10	64,079	70,457	-	-
Cash and cash equivalents	11	51,840	39,686	-	-
Total current assets		115,919	110,143	-	-
Total assets		133,934	123,643	48,290	48,290
Deferred tax liabilities	6	4,737	3,882	-	-
Other payables	14	1,582	1,623	-	-
Lease liability		188	1,329	-	-
Total non-current liabilities		6,507	6,834	-	-
Trade and other payables	14	122,469	113,413	48,216	48,301
Current income tax liabilities	6	122	863	-	-
Lease liability		1,105	1,095	-	-
Total current liabilities		123,696	115,371	48,216	48,301
Total liabilities		130,203	122,205	48,216	48,301
Net assets/(liabilities)		3,731	1,438	74	(11)
Share capital	12	100	-(⁽¹⁾)	100	-(⁽¹⁾)
Retained earnings/(accumulated losses)		3,631	1,438	(26)	(11)
Total equity/(deficit)		3,731	1,438	74	(11)

⁽¹⁾ Amount is less than US\$1,000.

*The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditors' Report – Page 3 to 5.*

7



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

	Note	Share capital US\$'000	Retained earnings US\$'000	Total equity US\$'000
The Group				
Balance at 1 January 2021		-(⁽¹⁾)	1,438	1,438
<u>Transaction with owner</u>				
Issuance of new shares	12	100	-	100
<u>Total comprehensive income</u>				
Loss for the financial year		-	(1,235)	(1,235)
Other comprehensive income for the financial year		-	3,428	3,428
Balance at 31 December 2021		100	3,631	3,731
Balance at 1 October 2020		-(⁽¹⁾)	1,533	1,533
<u>Transactions with owner</u>				
Acquisition of BW Gas AS subgroup's retained earnings	11	-	31,454	31,454
Acquisition of subsidiaries under common control	11	-	(31,454)	(31,454)
Dividends paid	19	-	(1,531)	(1,531)
<u>Total comprehensive income</u>				
Profit for the financial period		-	418	418
Other comprehensive income for the financial period		-	1,018	1,018
Balance at 31 December 2020		-(⁽¹⁾)	1,438	1,438

⁽¹⁾ Amount is less than US\$1,000.

*The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditors' Report – Page 3 to 5.*



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	<u>The Group⁽¹⁾</u>	
	Note	1 October 2020 to 31 December 2020
	2021 US\$'000	2020 US\$'000
Cash flows from operating activities		
(Loss)/profit for the financial year/period	(1,235)	418
Adjustments for:		
- income tax expense	1,411	1,393
- impairment charge on receivables from an associate of the ultimate holding corporation	5	-
- depreciation charge	1,139	289
- interest expense	64	21
- interest income	(20)	(13)
- other finance expenses - net	57	21
- foreign currency exchange (gain)/loss on tax liability	(53)	341
Operating cash flow before working capital changes	<u>1,368</u>	<u>2,470</u>
Changes in working capital:		
- trade and other receivables ⁽²⁾	6,374	321,825
- trade and other payables ⁽³⁾	9,115	(313,609)
- retirement benefit obligations	(2,174)	(1,891)
- restricted bank deposits	53	(1,272)
Cash generated from operations	<u>14,736</u>	<u>7,523</u>
- tax paid	<u>(1,244)</u>	<u>(92)</u>
Net cash provided by operating activities	<u>13,492</u>	<u>7,431</u>
Cash flows from investing activities		
Acquisition of subsidiaries	11	-
Purchase of property, plant and equipment	(53)	31,024
Interest received	20	-
	<u>20</u>	<u>13</u>
Net cash (used in)/provided by investing activities	<u>(33)</u>	<u>31,037</u>
Cash flows from financing activities		
Repayment of lease liability	(1,195)	(33)
Other finance expenses paid	(57)	(21)
Net cash used in financing activities	<u>(1,252)</u>	<u>(54)</u>
Net increase in cash and cash equivalents	<u>12,207</u>	<u>38,414</u>
Cash and cash equivalents at beginning of the financial year/period	<u>38,414</u>	-
Cash and cash equivalents at end of the financial year/period	<u>50,621</u>	<u>38,414</u>

⁽¹⁾ The Group was formed on 1 October 2020 following the acquisition of subsidiaries under common control (note 11).

*The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditors' Report – Page 3 to 5.*



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial year ended 31 December 2021

Significant non-cash transactions

- ⁽²⁾ The amount for 2020 includes US\$2 million dividends, which was offset against the receivables from a fellow subsidiary.
- ⁽³⁾ The amount for 2021 includes US\$0.1 million for the issuance of new shares, which was offset against the payables to the immediate holding corporation. The amount for 2020 includes US\$48 million paid on behalf by immediate holding corporation for the acquisition of subsidiaries (note 11).

Reconciliation of liability arising from financing activities

	1 January 2021 US\$'000		Repayment of lease liability US\$'000	Non-cash interest expense US\$'000	31 December 2021 US\$'000
Lease liability	2,424		(1,195)	64	1,293

	1 October 2020 US\$'000	Acquisition of subsidiaries US\$'000	Repayment of lease liability US\$'000	Non-cash interest expense US\$'000	31 December 2020 US\$'000
Lease liability	-	2,436	(33)	21	2,424

*The accompanying notes form an integral part of these consolidated financial statements.
Independent Auditors' Report – Page 3 to 5.*



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *For the financial year ended 31 December 2021*

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

1. General information

With effect from 1 July 2021, the name of the Company was changed from BW LR2 Pte. Ltd. to BW Gas Pte. Ltd..

BW Gas Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 10 Pasir Panjang Road, #18-01 Mapletree Business City, Singapore 117438.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are listed in note 8.

2. Significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS"), 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, effective in 2021

The Group has adopted all the relevant new standards, amendments to published standards and interpretations as of 1 January 2021.

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

New standards, amendments to published standards and interpretations, effective in annual periods ending after 2021

A number of new standards, amendments to published standards and interpretations, which are relevant to the Group's operations but have not been early adopted, have been published and are mandatory for accounting periods beginning on or after 1 January 2022 (or otherwise stated) or later periods.

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



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with FRS 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 discussed below.

A critical accounting estimate or assumption is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, using historical results and experience, consideration of relevant trends, consultation with experts and other methods considered reasonable in the particular circumstances.

The Group has assessed that there are no areas involving a high degree of judgement or complexity, or areas where estimates and assumptions are significant to the consolidated financial statements.

(b) Revenue and income recognition

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

(i) *Management fees*

Revenue from the provision of management support services is recognised on a straight-line basis over the contract period.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(b) Revenue and income recognition (continued)

(ii) *Rendering of services*

Revenue from operational services is recognised as services are rendered.

(iii) *Interest income*

Interest income is recognised using the effective interest method.

(c) Group accounting

Subsidiaries

(i) *Consolidation*

Subsidiaries are entities (including structured 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 deconsolidated from the date that 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. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a business comprises the fair value of the assets transferred, the liabilities incurred or assumed and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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, 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.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(c) Group accounting (continued)

Subsidiaries (continued)

(ii) Acquisitions (continued)

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 the; (ii) fair value of the net identifiable 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) Acquisitions of entities under common control

Business combinations arising from the transfer of interests in entities that are under common control are excluded from the scope of FRS 103 Business Combinations. They are accounted for on the date that the transfer occurs and comparatives are not restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or to recognise any new assets or liabilities, including no goodwill being recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity. Any difference between the consideration in relation to the acquisition and the value of share capital of the acquiree is recognised directly to equity.

(iv) 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 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 the profit or loss.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) *Measurement*

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

(2) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the item. 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.

(ii) *Depreciation*

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. 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 are recognised in the profit or loss when the changes arise.

The estimated useful lives are as follows:

	<u>Useful lives</u>
Furniture and fittings	6 years
Office computer and equipment	3 years

(iii) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment, 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 expense is recognised in the profit or loss when incurred.

(iv) *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 the profit or loss.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(e) Financial assets

(1) *Classification*

The Group classifies its financial assets as measured at amortised cost. The Group makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed and information is provided to management. The classification depends on the business model in which a financial asset is managed and its contractual cash flows characteristics. Management determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is classified as at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("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.

Financial assets at amortised cost are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. They are presented as "Trade and other receivables" (notes 9 and 10) and "Cash and cash equivalents" (note 11) in the balance sheet.

(2) *Recognition and derecognition*

Trade receivables are initially recognised when they are originated. Other financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset measured at amortised cost, the difference between the net sale proceed and its carrying amount is recognised in the profit or loss.

(3) *Initial measurement and subsequent measurement*

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs. These assets are subsequently carried at amortised cost using the effective interest method.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(e) Financial assets (continued)

(4) *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 the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(5) *Impairment*

For financial assets measured at amortised cost, the Group assesses at each balance sheet date the amount of expected credit losses ("ECL"). ECLs are probability-weighted estimates of credit losses.

For trade receivables, the Group applied the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

For other financial assets, the Group applies the general approach. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. 12 month ECLs are the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset 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 and analysis, based on the Group's historical experience, informed credit assessment and other forward-looking information.

The Group assumes that the financial asset is credit-impaired when the debtor is under significant financial difficulties, or when there is default or significant delay in payments. The Group considers a financial asset to be in default when the debtor 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). The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(e) Financial assets (continued)

(5) *Impairment* (continued)

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

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of expected credit loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is objective evidence or 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 costs 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 CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) 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 the profit or loss, unless the asset is carried at a revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimate of the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of the 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 any 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 the profit or loss.

(g) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses (note 2(f)) in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the profit or loss.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(h) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. 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, cancelled or expired.

(i) Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, measured at amortised cost, approximate their fair values due to the short term nature of the balances. The fair values of non-current financial assets and liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at current market interest rates, determined as those that are available to the Group at balance sheet date for similar financial instruments.

(j) Leases

When a group company is the lessee:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

For leases of property and other equipment, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently carried at cost less accumulated depreciation and accumulated impairment losses (note 2(f)). Depreciation is calculated using a straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group will depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(j) Leases (continued)

When a group company is the 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 applicable incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- 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
- payment of penalties for early termination of a lease unless the Group is reasonably certain that it will not terminate early.

The lease liability is subsequently 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;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the Group's assessment of whether it will exercise a purchase, an extension or a termination option.

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 recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents its right-of-use asset in "property, plant and equipment" and lease liability in 'lease liability' in the balance sheet.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(j) Leases (continued)

Short-term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for leases with lease terms that are less than 12 months and other low-value assets. Lease payments associated with these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(k) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised as income or expense in profit or loss, except to the extent that it relates to items recognised in other comprehensive income in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Positions taken in tax returns are evaluated periodically, with respect to situations in which applicable tax regulations are subject to interpretation, and provisions are established where appropriate, on the basis of amounts expected to be paid to the tax authorities. In relation to accounting for tax uncertainties, where it is more likely than not that the final tax outcome would be favourable to the Group, no tax provision is recognised until payment to the tax authorities is required, and upon which a tax asset, measured at the expected recoverable amount, is recognised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on income earned from investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *For the financial year ended 31 December 2021*

2. Significant accounting policies (continued)

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation whereby, 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 settlement 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.

(m) Employee benefits

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

(i) *Defined benefit plans*

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised immediately in other comprehensive income.

The net interest element is calculated by applying the discount rate to the net defined benefit liability or asset.

Past-service costs are recognised immediately as expenses in profit or loss.

(ii) *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.

(iii) *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.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(n) Foreign currency translation

(i) *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 are presented in United States Dollars, which is the Company's functional currency.

(ii) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency transactions") are translated into the functional currency using the exchange rates prevailing at the date 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 the profit or loss.

(o) 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 deposits held at call with financial institutions which are subject to an insignificant risk of change in value.

(p) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

(q) Dividends

Interim dividends are recognised in the financial year in which they are declared payable and final dividends are recognised when the dividends are approved for payment by the directors and shareholders respectively.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

3. Revenue

	<u>The Group</u>	
	2021	2020
	US\$'000	US\$'000
Rendering of services:		
- Management fees	26,564	8,392
- Operation services revenue	7,319	1,685
Total revenue	33,883	10,077

Revenue from management support services and operational services is recognised as services are rendered and the Group typically receives payment within 30 days from date of the invoice.

4. Expenses by nature

	<u>The Group</u>	
	2021	2020
	US\$'000	US\$'000
Employee benefits (note 5)	19,539	3,207
Maintenance and repair expenses	2,424	706
Ship management fees	746	654
Corporate service fees	6,381	3,416
Auditor's remuneration	63	25
Other operating expenses	3,471	554
Total other operating expenses	32,624	8,562

5. Employee benefits

	<u>The Group</u>	
	2021	2020
	US\$'000	US\$'000
Wages, salaries and other benefits	17,881	2,879
Pension expense - defined benefit plans (note 13)	7	319
Social security costs	1,651	9
Total	19,539	3,207



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

6. Income taxes

The Group operates in several jurisdictions and under several tax regimes. The Group's service income and fees derived in Norway are taxed under the prevailing corporate tax rate of 22% (2020: 22%).

(a) Income tax expense

The Group

	1 October 2020 to 31 December 2021 US\$'000	2020 US\$'000
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Tax expense attributable to profit or loss is made up of:

Current income tax	213	1,061
Under-provision in respect of previous year	290	-
Deferred tax	908	332
	<u>1,411</u>	<u>1,393</u>

Income tax expense reconciliation is as follows:

The Group

	1 October 2020 to 31 December 2021 US\$'000	2020 US\$'000
--	---	------------------

Profit before income tax	<u>176</u>	<u>1,811</u>
Tax calculated at tax rate of 17% (2020: 17%)	30	308
Effects of:		
- Different tax rate in other country	13	287
- Expenses not deductible for tax purpose	1,207	1,007
- Utilisation of previously unrecognised tax losses	(129)	-
- Under-provision in respect of previous year	290	-
- Income not subject to tax	-	(209)
Income tax expense	<u>1,411</u>	<u>1,393</u>



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

6. Income taxes (continued)

(b) Movements in current income tax liabilities

	The Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	863	-
Income tax paid	(1,244)	(92)
Income tax expense	503	1,061
Acquisition of subsidiaries (note 11)	-	(106)
End of financial year/period	<u>122</u>	<u>863</u>

(c) Deferred income taxes

	The Group	
	2021 US\$'000	2020 US\$'000
<i>Deferred tax liability arising from taxable temporary differences on:</i>		
Others	4,744	3,912
<i>Deferred tax asset arising from deductible temporary differences on:</i>		
Fixed assets	(7)	(30)
Deferred tax liability, recognised in the balance sheet	<u>4,737</u>	<u>3,882</u>

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US\$1.04 million (2020: US\$1.80 million) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to those companies with unrecognised tax losses meeting certain statutory requirements in their respective countries of incorporation.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

7. Property, plant and equipment

	Furniture and fittings US\$'000	Office computer and equipment US\$'000	Others US\$'000	Total US\$'000
<u>The Group</u>				
<i>Cost</i>				
At 1 January 2021	1,308	277	2,722	4,307
Additions	14	39	-	53
At 31 December 2021	<u>1,322</u>	<u>316</u>	<u>2,722</u>	<u>4,360</u>
<i>Accumulated depreciation</i>				
At 1 January 2021	5	17	267	289
Depreciation charge	21	52	1,066	1,139
At 31 December 2021	<u>26</u>	<u>69</u>	<u>1,333</u>	<u>1,428</u>
<i>Net book value</i>				
At 31 December 2021	<u>1,296</u>	<u>247</u>	<u>1,389</u>	<u>2,932</u>
<i>Cost</i>				
At 1 October 2020	-	-	-	-
Acquisition of subsidiaries (note 11)	1,308	277	2,722	4,307
At 31 December 2020	<u>1,308</u>	<u>277</u>	<u>2,722</u>	<u>4,307</u>
<i>Accumulated depreciation</i>				
At 1 October 2020	-	-	-	-
Depreciation charge	5	17	267	289
At 31 December 2020	<u>5</u>	<u>17</u>	<u>267</u>	<u>289</u>
<i>Net book value</i>				
At 31 December 2020	<u>1,303</u>	<u>260</u>	<u>2,455</u>	<u>4,018</u>



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

8. Investments in subsidiaries

	Company	
	2021 US\$'000	2020 US\$'000
At beginning of the financial year/period	48,290	-
Acquisition of subsidiaries	-	48,290
At end of the financial year/period	<u>48,290</u>	<u>48,290</u>

Investments in subsidiaries are specified as follows:

Name of companies	Principal activities	Country of incorporation	Equity holding	
			2021 %	2020 %
<u>Subsidiary held by the Company</u>				
BW Gas AS	Investment holding	Norway	100	100
<u>Subsidiaries held by BW Gas AS</u>				
BW Fleet Management AS	Ship-management	Norway	100	100
BW Gas NIS Manning AS	Manning	Norway	100	100
BW Gas Foreign Manning AS	Manning	Norway	100	100

9. Other receivables – non-current

	The Group	
	2021 US\$'000	2020 US\$'000
Other receivables: - staff loans	<u>11</u>	<u>12</u>

The non-current other receivables have the following maturity:

	The Group	
	2021 US\$'000	2020 US\$'000
Later than five years	<u>11</u>	<u>12</u>

The carrying amounts of non-current other receivables approximate their fair values as the effects of discounting are insignificant.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

10. Trade and other receivables – current

	The Group	
	2021 US\$'000	2020 US\$'000
Trade receivables		
- third parties	2,060	2,633
Prepayments	462	573
Other receivables		
- third parties	1,556	1,822
- fellow subsidiaries	58,362	60,930
- associates of the ultimate holding corporation	6,757	9,046
- joint ventures of the ultimate holding corporation	598	1,302
	<u>67,273</u>	<u>73,100</u>
Less: Allowance for other receivables		
- associates of the ultimate holding corporation	(5,716)	(5,711)
- fellow subsidiary	-	(138)
Other receivables – net	<u>61,557</u>	<u>67,251</u>
	<u>64,079</u>	<u>70,457</u>

The carrying amounts of current trade and other receivables approximate their fair values due to the short term nature.

Other receivables due from fellow subsidiaries and associates and joint ventures of the ultimate holding corporation are unsecured, interest-free and repayable on demand.

The movements in allowance for other receivables are as follows:

	The Group	
	2021 US\$'000	2020 US\$'000
At beginning of the financial year/period	(5,849)	-
Acquisition of subsidiaries	-	(5,849)
Allowance made	(5)	-
Utilisation of allowance for impairment	138	-
At end of the financial year/period	<u>(5,716)</u>	<u>(5,849)</u>



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

11. Cash and cash equivalents

	The Group	
	2021 US\$'000	2020 US\$'000
Cash at bank and on hand	<u>51,840</u>	<u>39,686</u>

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

	The Group	
	2021 US\$'000	2020 US\$'000
Cash and bank balances	51,840	39,686
Less: Restricted bank deposits	(1,219)	(1,272)
Cash and bank balances per consolidated statement of cash flows	<u>50,621</u>	<u>38,414</u>

As at 31 December 2021 and 31 December 2020, restricted cash relates to cash retained for employee taxes and escrow account maintained for office rental.

Cash and bank balances are denominated in the following currencies:

	The Group	
	2021 US\$'000	2020 US\$'000
US Dollar	47,987	34,930
Norwegian Krone	3,832	4,731
Others	21	25
	<u>51,840</u>	<u>39,686</u>

The exposure of cash and cash equivalents to interest rate risks is disclosed in note 16(a)(ii).

Acquisition of subsidiaries

On 1 October 2020, the Company acquired 100% of the shares in BW Gas AS and its subsidiaries (collectively "BW Gas AS subgroup") from a fellow subsidiary at a consideration of US\$48.3 million. The consideration was settled on behalf by the immediate holding corporation. As BW Gas AS continues to be under common control of BW LNG Limited before and after the acquisition, the Group applied the common control exemption and accounted for the combination of BW Gas AS subgroup using the book value accounting method. Under this method, assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or to recognise any new assets or liabilities, including no goodwill being recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity. Any difference between the consideration in relation to the acquisition and the value of share capital of the acquiree is recognised directly to equity. Comparative information has not been restated.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

11. Cash and cash equivalents (continued)

Acquisition of subsidiaries (continued)

Details of the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, were as follows:

	<u>The Group</u>
	2020
	US\$'000
Identifiable assets and liabilities	
Property, plant and equipment (note 7)	4,307
Trade and other receivables	392,282
Retirement benefit assets	6,561
Cash and cash equivalents	31,024
Current income tax recoverable (note 6)	106
Total assets	<u>434,280</u>
Deferred tax liabilities	3,209
Trade and other payables	380,345
Lease liability	2,436
Total liabilities	<u>385,990</u>
Total identifiable net assets at book value	48,290
Less: Share capital	<u>(16,836)</u>
Excess of purchase consideration over share capital recorded directly in equity	<u>31,454</u>
Effects on cash flows:	
Purchase consideration	48,290
Less: Payment on behalf by immediate holding corporation	(48,290)
Add: Cash and cash equivalents of subsidiaries acquired	31,024
Net cash inflow on acquisition of subsidiaries	<u>31,024</u>

12. Share capital of BW Gas Pte. Ltd.

Issued and fully paid-up ordinary share with no par value

	2021	2020	2021	2020
	Number of Shares		Amount	
			US\$	US\$
At beginning of the financial year/period	1	1	1	1
Issuance of new shares	<u>99,999</u>	-	<u>99,999</u>	-
At end of the financial year/period	<u>100,000</u>	1	<u>100,000</u>	1

The newly issued ordinary shares rank pari passu with the existing shares. In 2021, the Company issued 99,999 ordinary shares for a consideration of US\$1 per ordinary share to its immediate holding corporation.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

13. Retirement benefit assets

	<u>The Group</u>	
	2021 US\$'000	2020 US\$'000
Balance sheet assets:		
Pension benefits	<u>(15,072)</u>	<u>(9,470)</u>
		1 October 2020 to 31 December
	2021 US\$'000	2020 US\$'000
Pension expense (note 5)	<u>7</u>	<u>319</u>
Net gain recognised in other comprehensive income	<u>(3,428)</u>	<u>(1,018)</u>
Pension expense recognised in the profit or loss is as follows:		

	<u>The Group</u>	
	2021 US\$'000	2020 US\$'000
Current service cost	214	519
Interest income	<u>(207)</u>	<u>(200)</u>
Total included in employee benefits (note 5)	<u>7</u>	<u>319</u>



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

13. Retirement benefit assets (continued)

The movements in the defined benefit obligations during the financial year/period are as follows:

	<u>The Group</u>	
	2021	2020
	US\$'000	US\$'000
At beginning of the financial year/period	62,803	64,758
Current service cost	57	181
Interest cost	985	1,777
Actuarial (gain)/loss	(1,155)	1,966
Foreign currency exchange (gain)/loss	(1,665)	1,717
Payroll tax of employer's contribution	(209)	(169)
Benefits paid	(3,491)	(4,060)
Settlement	-	(3,413)
Past service cost	-	46
At end of the financial year/period	<u>57,325</u>	<u>62,803</u>

The movements in the fair value of the plan assets during the financial year/period are as follows:

	<u>The Group</u>	
	2021	2020
	US\$'000	US\$'000
At beginning of the financial year/period	(72,273)	(71,319)
Actual return on plan assets	(1,035)	(1,685)
Contribution by employer	(1,691)	(1,366)
Foreign currency exchange loss/(gain)	1,924	(1,202)
Payroll tax of employer's contribution	209	169
Benefits paid	2,742	3,109
Remeasurement gain	(2,273)	(2,984)
Settlement	-	3,413
Acquisition	-	(408)
At end of the financial year/period	<u>(72,397)</u>	<u>(72,273)</u>
Present value of defined benefit obligations	57,325	62,803
Fair value of plan assets	<u>(72,397)</u>	<u>(72,273)</u>
	<u>(15,072)</u>	<u>(9,470)</u>

In 2020, management had pro-rated the movements in present value of defined benefit obligation and fair value of plan assets to determine the retirement benefit assets recognised as at the acquisition date (note 11). The financial effects of this method were not material to the overall consolidated financial statements of the Group.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

13. Retirement benefit assets (continued)

	<u>The Group</u>	
	2021	2020
Fair value of plan assets consists of:		
Equity instruments	35.1%	30.7%
Debt instruments	51.7%	54.6%
Others	13.2%	14.7%

For the existing pension plans as at 31 December 2021 and 31 December 2020:

The principal actuarial assumptions used to determine the balances as at 31 December are as follows:

	<u>The Group</u>	
	2021	2020
Discount rate	1.9%	1.7%
Future salary increases	2.8%	2.3%
Future pension increases	0.1%	0.1%

The principal actuarial assumptions used to determine the amount charged to the profit or loss for the financial year/period are as follows:

	<u>The Group</u>	
	2021	2020
Discount rate	1.7%	2.3%
Future salary increases	2.3%	2.3%
Future pension increases	0.1%	0.5%



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

13. Retirement benefit assets (continued)

Actuarial (gain)/loss of the defined benefit obligations is split into the effect of changes as follows:

	The Group	
	2021 US\$'000	1 October 2020 to 31 December 2020 US\$'000
Effect of changes in demographic assumptions	(1,051)	219
Effect of changes in financial assumptions	(104)	1,747
Actuarial (gain)/loss	<u>(1,155)</u>	<u>1,966</u>

Excluding the impact of payroll tax, if the discount rate increases/decreases by 1% in absolute with all other variables being held constant, the defined benefit obligations will be lower/higher by approximately US\$6.1 million/US\$7.4 million (2020: US\$6.9 million/US\$8.4 million) respectively. If the future salary projection increases/decreases by 1% in absolute with all other variables being held constant, the defined benefit obligations will be higher/lower by approximately US\$0.8 million/US\$0.8 million (2020: US\$0.1 million/US\$0.1 million) respectively.

The above sensitivity analysis takes into effect only the change in the defined benefit obligation and does not take into account the effect on the limitation of recognition of a net asset arising from the asset ceiling.

The duration of the plan is approximately 13 years (2020: 13 years).

Pension plans for certain groups of employees are operated through independent funds and life insurance companies. The pension entitlements are accrued on a linear basis over a service life of 30 years. For office employees, the plans provide for a retirement pension of 66% of pensionable pay from the age of 67 as well as benefits for surviving spouses/dependants and a disability pension. The pension plan for office employees was closed and replaced with a contribution plan in 2010. Seafaring personnel covered by the agreement between the Norwegian Shipowners' Association and the Norwegian seamen's associations are entitled to a pension of 60% of pensionable pay from the age of 60 until the age of 67. Seafaring personnel in senior positions who are covered by this agreement and the relevant pension plan are entitled thereafter to a pension of 50% of pensionable pay. The plan also provides for disability and survivor benefits. The above pension plans had a total of 429 members as at 31 December 2021 (2020: 446 members). The pension plan for seafaring personnel was closed from 1 January 2020 and replaced with a defined contribution plan after agreement between the Norwegian Shipowners' Association and the unions for the seafaring personnel. In the case of seafaring personnel not covered by the agreement between the Norwegian Shipowners' Association and the Norwegian seamen's organisations, defined contribution plans have been set up for some groups in line with agreements with the seamen's organisations in various countries. These plans do not involve any pension obligations beyond the payment of premiums.

For the funded plan, the statutory reserve is calculated similar to the Accumulated Benefit Obligation but with no assumption of regulation of pensions and a different discount rate of 3.07% (2020: 3.41%) on average. Pension fund assets must exceed statutory reserve.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

13. Retirement benefit assets (continued)

The Pension Fund has no asset/liability matching strategies. The investment policy is formed taking both short-term and long-term returns into account. The Pension Fund follows a relatively conservative investment strategy.

The Group also has some pension obligations that are not covered by these group plans. These relate to early retirement pensions for office employees from the age of 64 and employees not eligible for the group pension plans.

14. Trade and other payables

	The Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Trade payables				
- third parties	359	437	-	-
Other payables				
- third parties	5,067	4,611	-	-
- fellow subsidiaries	17,143	4,466	-	-
- ultimate holding corporation	63,902	52,532	-	-
- immediate holding corporation	21,418	32,423	48,206	48,290
- joint ventures of the ultimate holding corporation	9,535	12,925	-	-
- associates of the ultimate holding corporation	3,820	5,054	-	-
	120,885	112,011	48,206	48,290
Others ⁽¹⁾	1,582	1,223	-	-
Charter hire received in advance	9	127	-	-
Other accrued operating expenses	1,216	1,238	10	11
	124,051	115,036	48,216	48,301
Analysed as:				
Non-current	1,582	1,623	-	-
Current	122,469	113,413	48,216	48,301
	124,051	115,036	48,216	48,301

⁽¹⁾ This relates to amounts received from the customer over the charter period for drydock services to be performed at the end of the vessel charter in 2032.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

14. Trade and other payables (continued)

The carrying amounts of current trade and other payables, principally denominated in United States Dollars, approximate their fair values due to their short term nature.

The non-trade amounts due to ultimate holding corporation, immediate holding corporation, fellow subsidiaries, and joint ventures and associates of the ultimate holding corporation are unsecured, interest-free and repayable on demand.

15. Lease – when a group company is the lessee

The Group leases office spaces from a non-related party under a non-cancellable operating lease agreement.

The lease is recognised as a right-of-use asset and lease liability on balance sheet under FRS 116.

Information about the lease for which the Group is a lessee is presented below.

(i) *Right-of-use asset*

Right-of-use asset related to leased-in office spaces is presented as “others” in property, plant and equipment (note 7).

	<u>The Group</u>
	<u>Others</u>
	US\$'000
<i>Cost</i>	
At 1 January 2021 and 31 December 2021	2,576
<i>Accumulated depreciation</i>	
At 1 January 2021	267
Depreciation charge	1,066
At 31 December 2021	1,333
<i>Net book value</i>	
At 31 December 2021	1,243



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

15. Lease – when a group company is the lessee (continued)

(i) Right-of-use asset (continued)

	<u>The Group</u>	
	Others	
	US\$'000	
<i>Cost</i>		
At 1 October 2020		-
Acquisition of subsidiaries		2,576
At 31 December 2020		<u>2,576</u>
<i>Accumulated depreciation</i>		
At 1 October 2020		-
Depreciation charge		267
At 31 December 2020		<u>267</u>
<i>Net book value</i>		
At 31 December 2020		<u>2,309</u>

(ii) Amount recognised in profit or loss

	<u>The Group</u>	
	1 October 2020 to 31 December	
	2021	2020
	US\$'000	US\$'000
Interest expense on a lease liability	<u>64</u>	<u>21</u>

(iii) Amount recognised in consolidated statement of cash flows

	<u>The Group</u>	
	1 October 2020 to 31 December	
	2021	2020
	US\$'000	US\$'000
Total cash outflow for a lease	<u>1,195</u>	<u>33</u>



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

16. Financial risk management

Financial risk factors

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

The financial risk management of the Group is handled by the ultimate holding corporation as part of its operations, and these processes and policies are described in the consolidated financial statements of the ultimate holding corporation.

(a) Market risk

(i) Foreign currency exchange risk

The functional currency of all entities in the Group is United States Dollars ("USD"). The Group's operating revenue is denominated in USD.

At the balance sheet date, the Group has cash and cash equivalents, trade and other receivables, retirement benefit assets and current and deferred tax liabilities denominated in Norwegian Kroner ("NOK"). The foreign currency positions presented in USD are as follows:

	The Group	
	2021	2020
	US\$'000	US\$'000
<u>NOK</u>		
Assets	18,916	14,214
Liabilities	(4,950)	(4,836)
Net foreign currency position	<u>13,966</u>	<u>9,378</u>

The Group is exposed to foreign currency exchange risks for operating expenses incurred by offices or agents globally, predominantly in Norway. The Group also pays crew wages in currencies other than USD, primarily in NOK.

The Group does not use any derivative instruments to manage its foreign exchange rate risks. These foreign exchange rate risks are managed by the ultimate holding corporation as part of the Group's operations.

At 31 December 2021, if the NOK has strengthened/weakened against the USD by 10% with all other variables including tax rate being held constant, the Group's profit after tax would have been approximately US\$1.4 million (2020: US\$0.9 million) higher/lower, as a result of foreign currency exchange gains/losses on NOK-denominated financial assets and financial liabilities.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

16. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risks*

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

(b) Credit risk

The Group's credit risks are primarily attributable to trade and other receivables and cash and cash equivalents. As at 31 December 2021, the financial assets represent the maximum credit exposure of the Group.

The Group deposits cash with internationally recognised financial institutions with good credit ratings as assigned by international credit rating agencies. These banks have low default risks, hence cash and cash equivalents are subject to insignificant losses.

Credit risk is concentrated on one charterer. The Group performs periodic credit evaluations of the charterer and has policies in place to ensure that services are rendered to charterers with appropriate credit histories. For trade receivables, the Group has applied the simplified approach permitted under FRS 109 to measure the loss allowance based on lifetime expected credit losses ("ECLs") at initial recognition of trade receivables. The loss allowance of trade receivables, determined based on actual historical credit experience and expected future economic conditions, is assessed to be insignificant.

The Group applies the general approach for assessment of ECLs for amounts due from fellow subsidiaries and associates and joint ventures of the ultimate holding corporation (collectively "related parties") and third parties. The Group assesses the ability of these related parties and third parties to repay in a reasonable period of time, considering the party's liquidity, latest performance and financial position and overall viability of its operations. The impairment allowance for amounts due from related parties as at 31 December 2021 is disclosed in note 10. These receivables that are deemed credit-impaired are fully impaired.

There are no other financial assets deemed to be credit-impaired under FRS 109.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

16. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding to meet operating and capital expenditure needs. To address the inherent unpredictability of short-term liquidity requirements, the Group maintains sufficient cash for its daily operations in short-term cash deposits with banks. At the end of the financial year/period, the Group holds cash and cash equivalents amounting to US\$52 million (2020: US\$40 million).

The tables below analyse the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flow obligations.

	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Over 5 years US\$'000
The Group			
At 31 December 2021			
Lease liability	1,127	188	-
Trade and other payables	122,460	-	1,582
	123,587	188	1,582
At 31 December 2020			
Lease liability	1,159	1,352	-
Trade and other payables	113,286	-	1,623
	114,445	1,352	1,623
Company			
At 31 December 2021			
Trade and other payables	48,216	-	-
At 31 December 2020			
Trade and other payables	48,301	-	-

(d) Capital risk

The Group's capital risk management is managed by the ultimate holding corporation as part of its operations.

The Group is not subjected to any externally imposed capital requirements.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

16. Financial risk management (continued)

Financial risk factors (continued)

(e) Fair value measurements

The Group does not hold any assets or liabilities that are measured on a fair value basis.

(f) Offsetting financial assets and financial liabilities

Where the Group's financial assets and liabilities are not subjected to enforceable master netting arrangements or similar arrangements, financial assets and financial liabilities are presented separately on the balance sheet, without netting off of balances.

17. Immediate and ultimate holding corporations

The Company's immediate holding corporation is BW LNG Limited, incorporated in Bermuda.

The Company's ultimate holding corporation is BW Group Limited, incorporated in Bermuda, which is wholly-owned by Sohmen family interests.

18. Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and Company and related parties during the financial year/period on commercial terms agreed between the parties:

	<u>The Group</u>	
	2021	1 October 2020 to 31 December 2020
	US\$'000	US\$'000
Fees received/receivable from/(paid/payable to) fellow subsidiaries, net	5,073	(1,255)
Fees received/receivable from immediate holding corporation, net	36	173
Fees received/receivable from ultimate holding corporation, net	235	483
Fees received/receivable from associates and joint ventures of the ultimate holding corporation, net	<u>14,093</u>	<u>4,921</u>

No fees or other emoluments were paid or payable to the key management of the Company for the financial year (2020: Nil for the financial period). The key management personnel receive remuneration from the Company's ultimate holding corporation for their services to the larger group which includes the Company.



BW GAS PTE. LTD.
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

19. Dividends

	The Group	
	2021 US\$'000	2020 US\$'000
Interim dividends in respect of the current financial year/period of US\$Nil(2020: US\$1.5 million per share)	-	1,531

20. Financial instruments by category

	The Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
<u>Financial assets at amortised cost</u>				
Trade and other receivables	63,628	69,896	-	-
Cash and cash equivalents	51,840	39,686	-	-
	<u>115,468</u>	<u>109,582</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities at amortised cost</u>				
Trade and other payables	124,042	114,909	48,216	48,301

21. Authorisation of consolidated financial statements

These consolidated financial statements were approved by the Board of Directors of BW Gas Pte. Ltd. on 29 August 2022.