



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Per Arne Eriksen
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 25.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	9	220 037 000	230 412 000
Sum inntekter		220 037 000	230 412 000
Kostnader			
Salaries, social security and pensions	10	123 753 000	118 541 000
Depreciation	1	625 000	1 118 000
Other expenses		82 005 000	68 897 000
Sum kostnader		206 383 000	188 556 000
Driftsresultat		13 654 000	41 856 000
Finansinntekter og finanskostnader			
Income from subsidiaries	2		5 000 000
Net foreign exchange gain/(loss)		304 000	-1 391 000
Sum finansinntekter		304 000	3 609 000
Other financial expenses		236 000	218 000
Sum finanskostnader		236 000	218 000
Netto finans		68 000	3 391 000
Ordinært resultat før skattekostnad		13 722 000	45 247 000
Income tax	8	7 107 000	9 076 000
Ordinært resultat etter skattekostnad		6 615 000	36 171 000
Årsresultat		6 615 000	36 171 000
Årsresultat etter minoritetsinteresser		6 614 000	36 170 000
Overføringer og disponeringer			
Transferred to/from other equity		6 614 000	36 170 000
Sum overføringer og disponeringer		6 614 000	36 170 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Real estate	1	856 000	856 000
Office equipment	1	11 284 000	11 445 000
Sum varige driftsmidler		12 140 000	12 301 000
Finansielle anleggsmidler			
Investering i datterselskap	2	25 109 000	21 854 000
Investering i annet foretak i samme konsern		467 000	457 000
Pension assets	7	14 889 000	
Sum finansielle anleggsmidler		40 465 000	22 311 000
Sum anleggsmidler		52 605 000	34 612 000
Omløpsmidler			
Varer			
Fordringer			
Non-interest bearing receivables	3	768 595 000	755 566 000
Sum fordringer		768 595 000	755 566 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		31 703 000	62 100 000
Sum bankinnskudd, kontanter og lignende		31 703 000	62 100 000
Sum omløpsmidler		800 298 000	817 666 000
SUM EIENDELER		852 903 000	852 278 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
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 / accumulated losses	4	26 274 000	1 978 000
Sum opptjent egenkapital		26 274 000	1 978 000
Sum egenkapital		154 622 000	130 326 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	7		16 452 000
Utsatt skatt	8	15 948 000	12 094 000
Other long-term liabilities		30 000	3 436 000
Sum avsetninger for forpliktelser		15 978 000	31 982 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		15 978 000	31 982 000
Kortsiktig gjeld			
Tax payable	8	3 253 000	10 624 000
Public duties payable		8 057 000	8 364 000
Other non interest-bearing liabilities	3	670 993 000	670 980 000
Sum kortsiktig gjeld		682 303 000	689 968 000
Sum gjeld		698 281 000	721 950 000
SUM EGENKAPITAL OG GJELD		852 903 000	852 276 000



KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of BW GAS AS

Independent Auditor's Report

Opinion

We have audited the financial statements of BW GAS AS (the Company), which comprise the balance sheet as at 31 December 2021, the revenue statement and cash flow analysis for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and 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 *Auditor's 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.

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

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 auditor's 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 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 scepticism throughout the audit. We also:

Offices in:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Penneo document key: CQX3L-AW1U3-4DYDM-IW73V-ST1TP-2V41H



- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 auditor's 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 auditor's 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 the Board of Directors 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.

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

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.

Oslo, 30 June 2022
KPMG

Hendrik Leendert Oostenrijk
State Authorised Public Accountant
(This document is signed electronically)



PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Hendrik L Oostenrijk

Partner

On behalf of: KPMG AS

Serial number: 9578-5999-4-3470054

IP: 80.232.xxx.xxx

2022-06-30 17:16:46 UTC



Penneo document key: CCX3L-AW1U3-4DYDM-IW73V-ST1TP-2V41H

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at **<https://penneo.com/validate>**



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





ANNUAL REPORT 2021 BW Gas Foreign Manning AS

Operations and location

The company is engaged in providing manning services to vessels. The registered office of the company is in Bærum, Norway. The company is owned 100 % by BW Gas 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 Gas Foreign Manning AS' net loss was NOK 21,081 in 2021, compared to a net loss of NOK 11,284 in 2020.

BW Gas Foreign Manning AS had liquid reserves of NOK 0.0 million as at 31.12.2021, the same as at 31.12.2020. The liquidity is arranged through intercompany.

The company's total assets at year-end 2020 amounted to NOK 0.15 million, compared to NOK 5.2 million at the previous year-end. Total equity amounted to NOK 0.12 million at year-end 2021, compared to NOK 0.12 million at year-end 2020.

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 revenue of 2022 is expected to remain at the same level as in 2021, but the development is dependent upon the number of vessels under the company's manning service agreement.

Risk factors

BW Gas Foreign Manning AS' revenue and expenses are mainly in NOK, which limits the foreign exchange rate risk.

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 has **1,339** employees, of which none are women. The Board of Directors consists of 2 men and 1 women. The company's ambition is to exercise full gender equality and has incorporated a policy aiming to avoid any discrimination.

Leave of absence due to illness amounted to **0,56 %** of the company's total working hours in 2021. No LTI cases were reported during 2021.

External environment

The company's operations do not result in pollution or spillages that are harmful to the external environment. No incidences or reporting of work related accidents resulting in significant material damage or personal injury occurred during the year.



Allocation of net loss

The Board of Directors has proposed that the net loss of BW Gas Foreign Manning AS of NOK 21,081 to be transferred from accumulated losses carried forward.

Billy Chiu

Billy Chiu

Lysaker, 30.06.2022

Yngvil Åsheim

Yngvil Åsheim

Per Arne Eriksen

Per Arne Eriksen



BW GAS FOREIGN MANNING AS

REVENUE STATEMENT

Amounts in NOK

OPERATING REVENUE AND EXPENSES	Note	2021	2020
Other operating expenses	6	-29 201	-19 996
Operating (loss)/profit		-29 201	-19 996
FINANCIAL INCOME AND EXPENSES			
Exchange (loss)/gain	7	2 174	-501
Net financial items		2 174	-501
(Loss)/profit before tax		-27 027	-20 497
Income tax expense	4	5 946	9 213
Net (loss)/profit		-21 081	-11 284
DISPOSALS AND TRANSFERS			
Allocated from/(to) accumulated losses	2	-21 081	-11 284
Total disposals and transfers		-21 081	-11 284



BW GAS FOREIGN MANNING AS

BALANCE SHEET

Amounts in NOK

ASSETS	Note	2021	2020
CURRENT ASSETS			
RECEIVABLES			
Non-interest bearing receivables	1	149 122	5 220 541
Total receivables		149 122	5 220 541
Total current assets		149 122	5 220 541
TOTAL ASSETS		149 122	5 220 541



BW GAS FOREIGN MANNING AS

BALANCE SHEET

Amounts in NOK

EQUITY AND LIABILITIES	Note	2021	2020
EQUITY			
PAID IN EQUITY			
Share capital	2, 3	100 000	100 000
Share premium reserve	2	20 000	20 000
Total paid in equity		120 000	120 000
ACCUMULATED LOSSES			
Total equity		120 000	120 000
LIABILITIES			
CURRENT LIABILITIES			
Other non-interest bearing debt	1	29 123	5 100 541
Total current liabilities		29 123	5 100 541
Total liabilities		29 123	5 100 541
TOTAL EQUITY AND LIABILITIES		149 122	5 220 541

Lysaker, 30.06.2022

The board of Bw Gas Foreign Manning AS

Billy Chiu

Billy Chiu
Billy Chiu
chairman of the board

Yngvil Asheim

Yngvil Asheim
Yngvil Signe Eriksson Asheim
member of the board/General Manager

Per Arne Eriksen

Per Arne Eriksen
Per Arne Eriksen
member of the board



CASH FLOW ANALYSIS

BW GAS FOREIGN MANNING AS

	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss)/profit before tax		-27 027	-20 497
Changes in short-term items		0	-21 378
Group contribution		27 027	41 875
Net cash flow from operating activities		0	0
Net change in cash and cash equivalents		0	0
Cash and cash equivalents as of 01.01		0	0
Cash and cash equivalents as of 31.12		0	0



BW Gas Foreign Manning AS

Notes to the accounts for 2021

Accounting principles

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

The company is incorporated and domiciled in Norway. The company's activity is to provide seafarers to the BW fleet through BW Gas AS.

Revenue recognition

Operating revenue

Revenue from services is recognised when the services are rendered.

Interest revenue

Interest revenue is recognised when the interest is earned.

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 in NOK, 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.

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 2021 is 8.8250, compared to 8.5852 per 31 December 2020.

Tax (outside the Norwegian tonnage tax regime)

Tax expense consists of tax payable and changes in deferred tax liability/asset. The statutory tax rate in Norway is 22%.

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, and including any tax losses carried forward. Tax increasing and reducing temporary differences that reverse or can reverse in the same periods are presented net. Deferred tax asset is recognised only when it is justified by estimated future profits. Deferred tax and deferred tax assets are presented net in the balance sheet.

Cash flow statement

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

Note 1 Receivables and liabilities

	2021	2020
Non-interest bearing receivables	149 122	5 220 541
Of this from the following group companies:		
BW Gas AS	107 247	5 220 541
BW Group Limited	0	0
Total	107 247	5 220 541
Other non-interest bearing debt	29 123	5 100 541
Of this to the following group companies:		
BW Gas Limited	0	5 080 795
BW Gas NIS Manning AS	0	0
BW Maritime PTE. LTD.	0	19 746
Total	0	5 100 541

This document is signed using GetAccept Digital Signature Technology.

Fingerprint: 88b6999a24e849017275bbc263e081eb56b127fe7bd7e08dccc1bd57f97b2cad85d8684c337ac86440e7a7e8a891898d136ce2114eb1bb4a3ca41a07baf399d5



BW Gas Foreign Manning AS

Notes to the accounts for 2021

Note 2 Equity

Equity change in the year	Share capital	Share premium reserve	Retained earnings	Total
Equity 01.01	100 000	20 000	0	98 622
Net profit of the year	0	0	-21 081	-21 081
Received group contributions 31.12	0	0	21 081	21 081
Equity 31.12.	100 000	20 000	0	98 622

Note 3 Share capital and shareholder information

The share capital is as follows:	Number of shares	Nominal value	Net book value
Ordinary shares	100	1 000	100 000

All shares have equal rights.

List of major shareholders pr 31.12.	Number of shares	Ownership
BW Gas AS	100	100 %

The company is a part of the BW Gas AS group, Professor Kohts vei 5, 1366 Lysaker, Norway. Consolidated group accounts are available at the parent company's office.

Note 4 Income tax (outside the tonnage tax system)

Calculation of deferred tax/deferred tax asset	2021	2020
Temporary differences		
Losses carried forward	0	0
Basis for deferred tax	0	0
22 % deferred tax/(tax benefit)	0	0
Deferred tax not recognised	0	0
Deferred tax / tax benefit in balance sheet	0	0
Basis for income tax, change in deferred tax and tax payable	2021	2020
Profit before tax	-27 027	-20 497
Basis for tax charges in the year	-27 027	-20 497
Use of losses carried forward	0	-21 378
Basis for tax payable in the income statement	-27 027	-41 875
Group contributions	27 027	41 875
Taxable income (basis for tax payable)	0	0
Allocation of tax charge		
Tax payable 22%	0	0
Previous years correction	0	0
Total tax payable	0	0
Tax effect of received group contribution	-5 946	0
Total tax on profit	-5 946	0

Note 5 Operating revenue

The company has no operating revenues.



BW Gas Foreign Manning AS

Notes to the accounts for 2021

Note 6 Operating expenses, remunerations etc.

There is no remuneration to managing director or the board of directors. Managing director is employed in another group company. There are no loans, guaranties or agreements for servants pay to managing director, the board of directors or other related parties. There is no agreement for servants pay to managing director or board of directors.

Remuneration to the auditor	2021	2020
- Audit services	29 201	19 996
Total		

All amounts are exclusive VAT.

Note 7 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 31.12.2021 is 8,8250

Note 8 Related party disclosures

BW Gas AS provides services to facilitate and organise manning for the ship owning companies owned by BW LNG Ltd. The company is contractual party to employment contracts while the manning cost is paid directly by the ship owning companies

Manning cost	2021	2020
NOK		
Salaries	547 210 402	519 997 790
Other staff cost	63 515 493	60 262 129
Employees contribution	0	0
Total	610 725 895	580 259 919

Average number of employees	2021	2020
Foreign crew with permanent employment	204	17
Foreign crew with temporary employment	1 192	1 322
Total	1 396	1 339

Full-time employees	1 396	1 339
---------------------	-------	-------



Signature Certificate

Document name:

Bw Gas Foreign Manning AS 2021

Unique document Id:

4fe8c469-5fb7-4a81-891f-630a5364ad79

Document fingerprint:

98b6999a24e849017275b bc263e081eb56b127fe7bd7e08d cc1bd b57f97b2cad85d6684c337ac86440e
7a7e8a891998d136ce2114eb1bb4a3ca41a07baf399d5

Signatories



Yngvil Åsheim

BW Gas AS

Email: yngvil.asheim@bw-lng.com
Device: Safari 15.5 on Mac 10.15.6 Unknown (desktop)
IP number: 77.16.217.206
IP Location: Oslo, Oslo County, Norway

Trusted timestamp:
2022-06-30 08:07:40 UTC

Yngvil Åsheim



Billy Chiu

Director
BW

Email: billy.chiu@bw-group.com
Device: Chrome 103.0.0.0 on Windows 10 Unknown
(desktop)
IP number: 165.225.231.72
IP Location: Singapore, Central Singapore, Singapore

Trusted timestamp:
2022-06-30 12:12:23 UTC

Billy Chiu



Per Arne Eriksen

BW Gas AS (910517694)

Email: per.arne.eriksen@bw-group.com
Device: Chrome 102.0.0.0 on Windows 10 Unknown
(desktop)
IP number: 213.52.102.80
IP Location: Oslo, Oslo County, Norway

Verified with login
Trusted timestamp:
2022-06-30 08:05:56 UTC

Per Arne Eriksen

This document was completed by all parties on:

2022-06-30 12:12:23 UTC



This document is signed using GetAccept Digital Signature Technology.
This Signature Certificate provides all signatures connected to this document and the audit log.



Audit log

Trusted timestamp	Event with collected audit data
2022-06-30 12:12:23 UTC	Document was signed by Billy Chiu (billy.chiu@bw-group.com) Device: Chrome 103.0.0.0 on Windows 10 Unknown (computer) IP number: 165.225.231.72 - IP Location: Singapore, Central Singapore, Singapore
2022-06-30 12:12:13 UTC	Document was verified via handwritten signature by Billy Chiu (billy.chiu@bw-group.com) Device: Chrome 103.0.0.0 on Windows 10 Unknown (computer) IP number: 165.225.231.72 - IP Location: Singapore, Central Singapore, Singapore
2022-06-30 12:11:27 UTC	Document was opened by Billy Chiu (billy.chiu@bw-group.com) Device: Chrome 103.0.0.0 on Windows 10 Unknown (computer) IP number: 116.88.150.217
2022-06-30 08:07:40 UTC	Document was signed by Yngvil Åsheim (yngvil.asheim@bw-Ing.com) Device: Safari 15.5 on Mac 10.15.6 Unknown (computer) IP number: 77.16.217.206 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:07:36 UTC	Document was verified via handwritten signature by Yngvil Åsheim (yngvil.asheim@bw-Ing.com) Device: Safari 15.5 on Mac 10.15.6 Unknown (computer) IP number: 77.16.217.206 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:07:25 UTC	Document was opened by Yngvil Åsheim (yngvil.asheim@bw-Ing.com) Device: Safari 15.5 on Mac 10.15.6 Unknown (computer) IP number: 77.16.217.206 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:06:04 UTC	Document was sent to Yngvil Åsheim (yngvil.asheim@bw-Ing.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:06:02 UTC	Document was sent to Billy Chiu (billy.chiu@bw-group.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:05:59 UTC	Document was sealed by Per Arne Eriksen (per.arne.eriksen@bw-group.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:05:56 UTC	Document was signed by Per Arne Eriksen (per.arne.eriksen@bw-group.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:05:55 UTC	Document was verified via handwritten signature by Per Arne Eriksen (per.arne.eriksen@bw-group.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway
2022-06-30 08:04:21 UTC	Document was created by Per Arne Eriksen (per.arne.eriksen@bw-group.com) Device: Chrome 102.0.0.0 on Windows 10 Unknown (computer) IP number: 213.52.102.80 - IP Location: Oslo, Oslo County, Norway



This document is signed using GetAccept Digital Signature Technology.
This Signature Certificate provides all signatures connected to this document and the audit log.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES
(Incorporated in Singapore. Registration Number: 201717300E)

ANNUAL REPORT
For the financial period from 1 October 2020 to 31 December 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) 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.



**BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES**
(Incorporated in Singapore. Registration Number: 201717300E)

ANNUAL REPORT

For the financial period from 1 October 2020 to 31 December 2020

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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.) AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial period from 1 October 2020 to 31 December 2020

The directors present their statement to the member together with the audited consolidated financial statements of the Group for the financial period from 1 October 2020 to 31 December 2020 and the balance sheet of the Company as at 31 December 2020.

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 41 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 2020 and the consolidated financial performance, changes in equity and cash flows of the Group for the financial period 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 as its immediate holding corporation, BW LNG Limited (formerly known as BW Gas Limited), has undertaken to provide continuing financial support to the Company.

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 period, 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 period had any interest in the shares or debentures of the Company or its related corporations.

Share options

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

No shares were issued during the financial period 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 period.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial period from 1 October 2020 to 31 December 2020

Independent auditor

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

BILLY CHIU
Director

DocuSigned by:
Nicholas Fell
3D140447C7C84EF...

NICHOLAS JOHN OXLEIGH FELL
Director

1 September 2021



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

INDEPENDENT AUDITORS' REPORT

Member of the Company
BW Gas Pte. Ltd. (formerly known as BW LR2 Pte. Ltd.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BW Gas Pte. Ltd. (formerly known as BW LR2 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 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 1 October 2020 to 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 41.

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, Chapter 50 ("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 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the period 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 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.



*BW Gas Pte. Ltd. (formerly known as BW LR2 Pte. Ltd.)
and its subsidiaries
Independent auditors' report
Period from 1 October 2020 to 31 December 2020*

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' responsibilities include 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 judgment 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*BW Gas Pte. Ltd. (formerly known as BW LR2 Pte. Ltd.)
and its subsidiaries
Independent auditors' report
Period from 1 October 2020 to 31 December 2020*

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 control 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
KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
1 September 2021



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 October 2020 to 31 December 2020

		<u>The Group⁽¹⁾</u>	<u>Company</u>
	Note	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Revenue	3	10,077	-
Other operating income		234	1,543
Other operating expenses	4	(8,562)	(63)
Operating profit before depreciation		<u>1,749</u>	<u>1,480</u>
Depreciation charge	7	(289)	-
Operating profit		<u>1,460</u>	<u>1,480</u>
Foreign currency exchange gain – net		380	-
Interest expense		(21)	-
Interest income		13	-
Other finance expenses - net		(21)	-
Finance income - net		<u>351</u>	-
Profit before income tax		<u>1,811</u>	<u>1,480</u>
Income tax expense	6	(1,393)	-
Profit for the financial period/year		<u>418</u>	<u>1,480</u>
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Net gain on retirement benefit obligations	13	<u>1,018</u>	-
Other comprehensive income for the financial period/year, net of tax		<u>1,018</u>	-
Total comprehensive income for the financial period/year		<u>1,436</u>	<u>1,480</u>

⁽¹⁾ There are no comparatives of the Group as the Group was only 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

BALANCE SHEETS
As at 31 December 2020

	Note	The Group ⁽¹⁾		
		2020 US\$'000	2020 US\$'000	2019 US\$'000
Property, plant and equipment	7	4,018	-	-
Investments in subsidiaries	8	-	48,290	-
Other receivables	9	12	-	-
Retirement benefit assets	13	9,470	-	-
Total non-current assets		13,500	48,290	-
Trade and other receivables	10	70,457	-	1,543
Cash and cash equivalents	11	39,686	-	-
Total current assets		110,143	-	1,543
Total assets		123,643	48,290	1,543
Deferred tax liabilities	6	3,882	-	-
Other payables	14	1,623	-	-
Lease liability		1,329	-	-
Total non-current liabilities		6,834	-	-
Trade and other payables	14	113,413	48,301	10
Current income tax liabilities	6	863	-	-
Lease liability		1,095	-	-
Total current liabilities		115,371	48,301	10
Total liabilities		122,205	48,301	10
Net assets/(liabilities)		1,438	(11)	1,533
Share capital	12	-(⁽²⁾)	-(⁽²⁾)	-(⁽²⁾)
Retained earnings/(accumulated losses)		1,438	(11)	1,533
Total equity/(deficit)		1,438	(11)	1,533

⁽¹⁾ There are no comparatives of the Group as the Group was only formed on 1 October 2020 following the acquisition of subsidiaries under common control (note 11).

⁽²⁾ 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period from 1 October 2020 to 31 December 2020

	Note	Share capital US\$'000	Retained earnings US\$'000	Total equity US\$'000
The Group⁽¹⁾				
Balance at 1 October 2020		-(²)	1,533	1,533
Transactions with owner				
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)
Total comprehensive income				
Profit for the financial period		-	418	418
Other comprehensive income for the financial period		-	1,018	1,018
Dividends paid	19	-	(1,531)	(1,531)
Balance at 31 December 2020		-(²)	1,438	1,438
Company				
Balance at 1 January 2019		-(²)	30,853	30,853
Total comprehensive income for the financial year		-	1,480	1,480
Dividends paid	19	-	(30,800)	(30,800)
Balance at 31 December 2019		-(²)	1,533	1,533

⁽¹⁾ There are no comparatives of the Group as the Group was only formed on 1 October 2020 following the acquisition of subsidiaries under common control (note 11).

⁽²⁾ 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period from 1 October 2020 to 31 December 2020

	The Group ⁽¹⁾	Company
	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Note		
Cash flows from operating activities		
Profit for the financial period/year	418	1,480
Adjustments for:		
- income tax expense	1,393	-
- depreciation charge	289	-
- interest expense	21	-
- interest income	(13)	-
- other finance expenses - net	21	-
- exchange differences	341	-
Operating cash flow before working capital changes	2,470	1,480
Changes in working capital:		
- trade and other receivables ⁽²⁾	321,825	(803)
- trade and other payables ⁽³⁾	(313,609)	(677)
- pension costs less payments	(1,891)	-
- tax paid	(92)	-
Net cash provided by operating activities	8,703	-
Cash flows from investing activities		
Acquisition of subsidiaries	11 31,024	-
Interest received	13	-
Net cash provided by investing activities	31,037	-
Cash flows from financing activities		
Repayment of lease liability	(33)	-
Other finance expenses paid	(21)	-
Net cash used in financing activities	(54)	-
Net increase in cash and cash equivalents	39,686	-
Less: restricted bank deposits	(1,272)	-
Cash and cash equivalents at beginning of the financial period/year	-	-
Cash and cash equivalents at end of the financial period/year	11 38,414	-

⁽¹⁾ There are no comparatives of the Group as the Group was only formed on 1 October 2020 following the acquisition of subsidiaries under common control (note 11).

Significant non-cash transactions

⁽²⁾ The amounts for 2020 and 2019 include US\$2 million and US\$31 million dividends respectively, which were offset against the receivables from immediate holding corporation. The immediate holding corporation became a fellow subsidiary post-acquisition of BW Gas AS in 2020 (note 11).

⁽³⁾ The amount for 2020 includes US\$48 million paid on behalf by immediate holding corporation for the acquisition of subsidiaries (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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial period from 1 October 2020 to 31 December 2020

Reconciliation of liability arising from financing activities

	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	<u>2,424</u>

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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.) AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *For the financial period from 1 October 2020 to 31 December 2020*

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

1. General

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.

As at 31 December 2020, the Company is in a net liability position. The immediate holding corporation, BW LNG Limited (formerly known as BW Gas Limited), has undertaken to provide continuing financial support to enable the Company to meet its obligations as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

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 2020

The Group has adopted all relevant new standards, amendments to published standards and interpretations as of 1 October 2020.

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 2020

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 2021 (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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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.

Certain amounts included in or affecting the consolidated financial statements and related disclosures are estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. 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 following is a summary of estimates and assumptions which have a material effect on the accounts.

Reversal of impairment/impairment of non-financial assets

The Company assesses at each financial year end whether there is indication that the investments in subsidiaries are impaired. If any such indication exists, the Company will estimate the recoverable amounts of its investments in subsidiaries and write-down the cost of investments to the recoverable amounts. The recoverable amounts of the investments in subsidiaries were not estimated as there were no impairment indicators.

(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.

(ii) *Rendering of services*

Revenue from operational services is recognised as services are performed.

(iii) *Interest income*

Interest income is recognised using the effective interest method.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(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 business.

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.

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(c) Group accounting (continued)

Subsidiaries (continued)

(ii) Acquisitions (continued)

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(c) Group accounting (continued)

Subsidiaries (continued)

(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.

(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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(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.

(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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(e) Financial assets (continued)

(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.

(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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(e) Financial assets (continued)

(5) *Impairment* (continued)

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.

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(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.

(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 account 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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.

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(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.

(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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

2. Significant accounting policies (continued)

(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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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, 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 by the directors and shareholders respectively.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

3. Revenue

	<u>The Group</u>	<u>Company</u>
	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Rendering of services:		
- Management fees	8,392	-
- Operation services revenue	1,685	-
Total revenue	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 the date of the invoice.

4. Expenses by nature

	<u>The Group</u>	<u>Company</u>
	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Employee benefits (note 5)	3,207	-
Maintenance and repair expenses	706	-
Ship management fees	654	-
Corporate service fees	3,416	-
Auditor's remuneration	25	10
Other operating expenses	554	53
Total other operating expenses	8,562	63

5. Employee benefits

	<u>The Group</u>
	1 October 2020 to 31 December 2020 US\$'000
Wages, salaries and other benefits	2,879
Pension expense - defined benefit plans (note 13)	319
Social security costs	9
	3,207



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

6. Income taxes

The Group operates in several jurisdictions and under several tax regimes. Based on the tax laws of those jurisdictions in which the Group operates, the effective tax rate on income generated from shipping activities is zero, except as disclosed below. The Group's service income and fees derived in Norway are taxed under the prevailing corporate tax rate of 22%.

(a) Income tax expense

	<u>The Group</u>	<u>Company</u>
	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Tax expense attributable to profit is made up of:		
Current income tax	1,061	-
Deferred tax	332	-
	<u>1,393</u>	-

Income tax expense reconciliation is as follows:

	<u>The Group</u>	<u>Company</u>
	1 October 2020 to 31 December 2020 US\$'000	2019 US\$'000
Profit before income tax	<u>1,811</u>	1,480
Tax calculated at tax rate of 17% (2019: 17%)	308	252
Effects of :		
- Different tax rate in other country	287	-
- Expenses not deductible for tax purpose	1,007	-
- Income not subject to tax	(209)	(252)
Income tax expense	<u>1,393</u>	-

(b) Movements in current income tax liabilities

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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

6. Income taxes (continued)

(c) Deferred income taxes

	<u>The Group</u>
	2020 US\$'000
<i>Deferred tax liability arising from taxable temporary differences on:</i>	
Others	3,912
<i>Deferred tax asset arising from deductible temporary differences on:</i>	
Fixed assets	(30)
Deferred tax liability, recognised in the balance sheet	<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. Through the acquisition of subsidiaries, the Group has unrecognised tax losses of US\$1.8 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.

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 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.) AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the financial period from 1 October 2020 to 31 December 2020

8. Investments in subsidiaries

	Company	
	2020 US\$'000	2019 US\$'000
At beginning of the financial year	-	-
Acquisition of subsidiaries	48,290	-
At end of the financial year	<u>48,290</u>	-

Investments in subsidiaries are specified as follows:

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

9. Other receivables – non-current

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

The non-current other receivables have the following maturity:

	The Group 2020 US\$'000
Later than five years	<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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.) AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the financial period from 1 October 2020 to 31 December 2020

10. Trade and other receivables – current

	<u>The Group</u>	<u>Company</u>	
	2020 US\$'000	2020 US\$'000	2019 US\$'000
Trade receivables			
- third parties	2,633	-	-
Prepayments	573	-	-
Other receivables			
- third parties	1,822	-	-
- fellow subsidiaries ⁽¹⁾	60,930	-	1,543
- associates of the ultimate holding corporation	9,046	-	-
- joint ventures of the ultimate holding corporation	1,302	-	-
	<u>73,100</u>	-	1,543
Less: Allowance for other receivables			
- associates of the ultimate holding corporation	(5,711)	-	-
- fellow subsidiary	(138)	-	-
Other receivables – net	<u>67,251</u>	-	1,543
	<u>70,457</u>	-	1,543

⁽¹⁾ In 2019, an amount of US\$1.2 million was due from immediate holding corporation. The immediate holding corporation became a fellow subsidiary post-acquisition of BW Gas AS in 2020 (note 11).

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 movement in allowance for other receivables is as follows:

	<u>The Group</u>
	2020 US\$'000
At beginning of the financial period	-
Acquisition of subsidiaries	(5,849)
At end of the financial period	<u>(5,849)</u>



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

11. Cash and cash equivalents

The Group

2020
US\$'000

Cash at bank and on hand 39,686

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

The Group

2020
US\$'000

Cash and bank balances 39,686
Less: Restricted bank deposits (1,272)
Cash and bank balances per consolidated statement of cash flows 38,414

As at 31 December 2020, restricted bank deposits relates to taxes withheld from employees.

Cash and bank balances are denominated in the following currencies:

The Group

2020
US\$'000

US Dollar 34,930
Norwegian Krone 4,731
Others 25
39,686

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 (formerly known as BW Gas 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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
<u>Identifiable assets and liabilities</u>	
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

The Company's share capital comprises 1 (2019: 1) issued and fully paid-up ordinary share with no par value, amounting to a total share capital of US\$1 (2019: US\$1).



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

13. Retirement benefit assets

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

	<u>The Group</u>
	1 October 2020 to 31 December 2020 US\$'000
Current service cost	519
Interest income	<u>(200)</u>
Total included in employee benefits (note 5)	<u>319</u>

The movements in the defined benefit obligation during the financial period are as follows:

	<u>The Group</u>
	1 October 2020 to 31 December 2020 US\$'000
At 1 October 2020	64,758
Current service cost	181
Interest cost	1,777
Actuarial loss	1,966
Exchange loss	1,717
Payroll tax of employer contribution	(169)
Benefits paid	(4,060)
Settlement	(3,413)
Past service cost	46
At end of the financial period	<u>62,803</u>



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

13. Retirement benefit assets (continued)

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

	<u>The Group</u>
	1 October 2020 to 31 December 2020 US\$'000
At 1 October 2020	(71,319)
Actual return on plan assets	(1,685)
Contribution by employer	(1,366)
Exchange gain	(1,202)
Payroll tax of employer contribution	169
Benefits paid	3,109
Remeasurement gain	(2,984)
Settlement	3,413
Acquisition	(408)
At end of the financial period	<u>(72,273)</u>
Present value of defined benefit obligations	62,803
Fair value of plan assets	<u>(72,273)</u>
	<u>(9,470)</u>

As at the acquisition date, 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 (note 11). The financial effects of this method were not material to the overall consolidated financial statements of the Group.

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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

13. Retirement benefit assets (continued)

For the existing pension plans as at 31 December 2020:

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

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

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

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

Actuarial loss of the defined benefit obligation is split into the effect of changes as follows:

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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

13. Retirement benefit assets (continued)

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\$6.9 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\$0.1 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.

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. 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 120 members as at 31 December 2020. 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 using a different discount rate of 3.09% on average. Pension fund assets must exceed statutory reserve.

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

14. Trade and other payables

	<u>The Group</u>	<u>Company</u>	
	2020 US\$'000	2020 US\$'000	2019 US\$'000
Trade payables			
- third parties	437	-	-
Other payables			
- third parties	4,611	-	-
- fellow subsidiaries	4,466	-	-
- ultimate holding corporation	52,532	-	-
- immediate holding corporation	32,423	48,290	-
- joint ventures of the ultimate holding corporation	12,925	-	-
- associates of the ultimate holding corporation	5,054	-	-
	112,011	48,290	-
Others ⁽¹⁾	1,223	-	-
Charter hire received in advance	127	-	-
Other accrued operating expenses	1,238	11	10
	<u>115,036</u>	<u>48,301</u>	<u>10</u>
Analysed as:			
Non-current	1,623	-	-
Current	113,413	48,301	10
	<u>115,036</u>	<u>48,301</u>	<u>10</u>

⁽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.

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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

15. Lease – when a group company is the lessee

The Group leases office spaces from 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>
	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 2020 US\$'000
Interest expense on a lease liability	<u>21</u>

(iii) *Amount recognised in consolidated statement of cash flows*

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



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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 are 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:

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

The Group is exposed to foreign currency exchange risks for administrative 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 2020, 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\$0.9 million higher/lower, as a result of foreign currency exchange gains/losses on NOK-denominated financial assets and financial liabilities.

(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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

16. Financial risk management (continued)

Financial risk factors (continued)

(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 2020, the financial assets represent the maximum credit exposure of the Group.

Financial assets that are neither past due nor impaired

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 related 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 2020 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. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

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 period, the Group holds cash and cash equivalents amounting to 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	Between 2 and 5 years US\$'000
--	---------------------------------	---	---

The Group

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 2020

Trade and other payables	48,301	-	-
--------------------------	---------------	---	---

At 31 December 2019

Trade and other payables	10	-	-
--------------------------	-----------	---	---

(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.

(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.



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.) AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *For the financial period from 1 October 2020 to 31 December 2020*

17. Immediate and ultimate holding corporations

The Company's immediate holding corporation is BW LNG Limited (formerly known as BW Gas Limited) (2019: BW Maritime Limited), incorporated in Bermuda.

The Company's ultimate holding corporation is BW Group Limited, incorporated in Bermuda, which is controlled 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 period/year on commercial terms agreed between the parties:

	<u>The Group</u>	<u>Company</u>
	2020	2019
	US\$'000	US\$'000
Fees paid/payable to fellow subsidiaries, net	(1,255)	-
Fees received/receivable from immediate holding corporation, net	173	-
Fees received/receivable from ultimate holding corporation, net	483	-
Fees received/receivable from associates and joint ventures of the ultimate holding corporation, net	4,921	-
Payments made on behalf by immediate holding corporation	-	(740)
Receipts collected on behalf by immediate holding corporation	-	1,234

No fees or other emoluments were paid or payable to the key management of the Company for the financial period/year (2019: Nil).

19. Dividends

	<u>The Group</u>	<u>Company</u>
	2020	2019
	US\$'000	US\$'000
Interim dividends in respect of the current financial period/year of US\$1.5 million (2019: US\$30.8 million) per share	1,531	30,800



BW GAS PTE. LTD. (FORMERLY KNOWN AS BW LR2 PTE. LTD.)
AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the financial period from 1 October 2020 to 31 December 2020

20. Financial instruments by category

	<u>The Group</u>	<u>Company</u>	
	2020	2020	2019
	US\$'000	US\$'000	US\$'000
<u>Financial assets at amortised cost</u>			
Trade and other receivables	69,896	-	1,543
Cash and cash equivalents	39,686	-	-
	<u>109,582</u>	<u>-</u>	<u>1,543</u>
<u>Financial liabilities at amortised cost</u>			
Trade and other payables	114,909	48,301	10

21. Authorisation of consolidated financial statements

These consolidated financial statements were approved by the Board of Directors of BW Gas Pte. Ltd. (formerly known as BW LR2 Pte. Ltd.) on 1 September 2021.