

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	2016 US\$'000	2015 US\$'000
Cash flows from operating activities		
Profit for the financial year	107,576	250,569
Adjustments for:		
- share-based payment	121	35
- dividend income	(111,315)	(252,850)
Operating cash flow before working capital changes	(3,618)	(2,246)
Changes in working capital:		
- other receivables	77	157
- trade and other payables	269	(105)
Net cash used in operating activities	(3,272)	(2,194)
Cash flow from investing activities		
Dividends received	111,315	252,850
(Payment to)/Proceeds from a subsidiary	(23,919)	5,612
Net cash provided by investing activities	87,396	258,462
Cash flows from financing activities		
Issue of new common shares	20,770	-
Share issue expenses	(5)	-
Dividends paid	(104,891)	(256,476)
Net cash used in financing activities	(84,126)	(256,476)
Net decrease in cash and cash equivalents	(2)	(208)
Cash and cash equivalents at beginning of the financial year	12	220
Cash and cash equivalents at end of the financial year	10	12

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1. General information

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

The principal activity of the Company is that of investment holding.

These financial statements were authorised for issue by the Board of Directors of BW LPG Limited on 24 February 2017.

2. Significant accounting policies**(a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

New standards, amendments to published standards and interpretations

The Company has adopted the following relevant new standards and amendments to published standards as at 1 January 2016:

Amendments to IAS 1 Presentation of financial statements

Amendments to IAS 1 'Presentation of financial statements' on disclosure initiatives. The amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Amendments to IAS 27 Separate financial statements

Amendments to IAS 27 Separate financial statements which will allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates.

IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.