

# Treasure ASA

## QUARTERLY REPORT

## SECOND QUARTER AND FIRST HALF 2017

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# Report for the second quarter of 2017

## Highlights and financial summary

- Net loss of USD 0.1 million, a normalised level in a quarter without dividends from Hyundai Glovis
- The Hyundai Glovis share price moved from KRW 147.000 to KRW 157.000 per share and USDKRW from 1116 to 1143 during the quarter
- NAV per share at the end of the quarter was NOK 24.3
- Discount to NAV on average was 31% during the quarter
- Due to lack of near-term attractive investment alternatives, the board received approval from the extraordinary general meeting, held 9 August 2017, to pay an extra dividend of NOK 0.65 per share. The dividend is payable 17 August 2017.

## Investment case and strategy

- Treasure ASA holds (via the wholly-owned subsidiary Den Norske Amerikalinje AS) 12.04% of Hyundai Glovis Co. Ltd., a global logistics company listed on the KRX Korea Exchange
- The holding in Hyundai Glovis is strategic in nature towards the HMC Group in Korea and Treasure ASA is represented with two directors on the board of Hyundai Glovis
- Treasure ASA shall create shareholder value through a combination of increased value of the shares and dividends, where the primary source of income for Treasure ASA is dividend from Hyundai Glovis.

## Prospects

In the third quarter, the board expects the performance of the Hyundai Glovis share to be in line with the general equity indexes of the Korean Stock Exchange.

Lysaker, 9 August 2017  
The board of directors of Treasure ASA

Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. Treasure ASA cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.



# Treasure ASA

## Income statement - financial report

USD thousand	Note	01.04-30.06 2017	01.04.-30.06 2016	YTD 2017	Pro forma YTD 2016	From 8 June - 31 December *
Dividend from available-for-sale financial asset		0		11 780	11 900	
Other income		88		178		201
<b>Total income</b>		<b>88</b>		<b>11 958</b>	<b>11 900</b>	<b>201</b>
<b>Operating expenses</b>						
Other operating expenses		(134)	(119)	(212)	(118)	(595)
<b>Total operating expenses</b>		<b>(134)</b>	<b>(119)</b>	<b>(212)</b>	<b>(118)</b>	<b>(595)</b>
<b>Operating profit</b>		<b>(46)</b>	<b>(119)</b>	<b>11 747</b>	<b>11 782</b>	<b>(394)</b>
<b>Financial income/(expenses)</b>						
Financial income		7	8	27		33
Financial expenses		0	(754)	(166)	(1 847)	(782)
<b>Net financial income/(expenses)</b>		<b>7</b>	<b>(746)</b>	<b>(139)</b>	<b>(1 847)</b>	<b>(749)</b>
<b>Profit before tax</b>		<b>(39)</b>	<b>(865)</b>	<b>11 608</b>	<b>9 935</b>	<b>(1 143)</b>
Tax income/(expense)		(44)		(1 831)	(1 800)	440
<b>Profit for the period</b>		<b>(83)</b>	<b>(865)</b>	<b>9 777</b>	<b>8 135</b>	<b>(704)</b>
Attributable to: owners of the parent		(83)	(865)	9 777	8 135	(704)
Basic earnings per share (USD)	2	(0,00)	(0,00)	0,04	0,04	(0,00)

\* The group was established and listed from 8 June 2016.

## Comprehensive income - financial report

USD thousand		01.04-30.06 2017	01.04.-30.06 2016	YTD 2017	Pro forma YTD 2016	From 8 June - 31 December
<b>Profit for the period</b>		<b>(83)</b>	<b>(865)</b>	<b>9 777</b>	<b>8 135</b>	<b>(704)</b>
<b>Items that will be reclassified to income statement</b>						
Changes in fair value of available-for-sale financial asset		26 126	(39 838)	40 362	8 400	(132 576)
Currency translation			(524)			334
<b>Other comprehensive income, net of tax</b>		<b>26 126</b>	<b>(40 362)</b>	<b>40 362</b>	<b>8 400</b>	<b>(132 242)</b>
<b>Total comprehensive income for the period</b>		<b>26 043</b>	<b>(41 227)</b>	<b>50 139</b>	<b>16 535</b>	<b>(132 945)</b>
<b>Total comprehensive income attributable to the owners of the parent</b>		<b>26 043</b>	<b>(41 227)</b>	<b>50 139</b>	<b>16 535</b>	<b>(132 945)</b>

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Treasure ASA

## Balance sheet - financial report

USD thousand	Note	30.06.2017	30.06.2016	31.12.2016
<b>Non current assets</b>				
Deferred tax asset		470		458
Available-for-sale financial assets	3	619 998	672 931	580 194
<b>Total non current assets</b>		<b>620 468</b>	<b>672 931</b>	<b>580 652</b>
<b>Current assets</b>				
Other current assets		23	46	143
Cash and cash equivalents		19 135	17 101	16 416
<b>Total current assets</b>		<b>19 158</b>	<b>17 147</b>	<b>16 559</b>
<b>Total assets</b>		<b>639 626</b>	<b>690 078</b>	<b>597 211</b>
<b>Equity</b>				
Paid-in capital	2	2 719	2 719	2 719
Retained earnings		636 775	687 018	594 425
<b>Attributable to equity holders of the owners</b>		<b>639 494</b>	<b>689 738</b>	<b>597 144</b>
<b>Current liabilities</b>				
Other current liabilities		132	340	68
<b>Total current liabilities</b>		<b>132</b>	<b>340</b>	<b>68</b>
<b>Total equity and liabilities</b>		<b>639 626</b>	<b>690 078</b>	<b>597 211</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

# Treasure ASA

## Cash flow statement - financial report

USD thousand	Note	01.04-30.06 2017	01.04-30.06 2016	YTD 2017	Proforma YTD 2016	From 8 June - 31 December 2016
<b>Cash flow from operating activities</b>						
Profit before tax		(39)	(865)	11 608	9 935	(1 143)
Financial (income)/expenses		(7)	746	139	1 847	749
Change in working capital		12 548	1 710	542	(10 091)	(411)
Tax paid (company income tax, withholding tax)		(1 831)	(1 810)	(1 831)	(1 810)	(24)
<b>Net cash provided by operating activities</b>		<b>10 671</b>	<b>(219)</b>	<b>10 458</b>	<b>(119)</b>	<b>(829)</b>
<b>Cash flow from investing activities</b>						
Interest received		7	8	50	8	33
<b>Net cash flow from investing activities</b>		<b>7</b>	<b>8</b>	<b>50</b>	<b>8</b>	<b>33</b>
<b>Cash flow from financing activities</b>						
Dividend to shareholders		(7 789)		(7 789)		
Demerger WWASA			17 212		17 212	17 212
<b>Net cash flow from financing activities</b>		<b>(7 789)</b>	<b>17 212</b>	<b>(7 789)</b>	<b>17 212</b>	<b>17 212</b>
<b>Net increase in cash and cash equivalents<sup>1</sup></b>		<b>2 889</b>	<b>17 001</b>	<b>2 719</b>	<b>17 101</b>	<b>16 416</b>
Cash and cash equivalents at the beg. of the period <sup>1</sup>		16 226		16 416		
<b>Cash and cash equivalents at the end of the period<sup>1</sup></b>		<b>19 115</b>	<b>17 101</b>	<b>19 135</b>	<b>17 101</b>	<b>16 416</b>

<sup>1</sup> Excluding restricted cash.

The group has bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

## Statement of changes in equity - financial report

### Statement of changes in equity - year to date

USD thousand	Share capital	Retained earnings	Total
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		9 777	9 777
Dividend		(7 789)	(7 789)
Comprehensive income		40 362	40 362
<b>Balance 30.06.2017</b>	<b>2 719</b>	<b>636 775</b>	<b>639 494</b>

### Statement of changes in equity - year to date

USD thousand	Share capital	Retained earnings	Total
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(865)	(865)
Comprehensive income		(39 486)	(39 486)
<b>Balance 30.06.2016</b>	<b>2 719</b>	<b>687 019</b>	<b>689 738</b>

### Statement of changes in equity - Full year

USD thousand	Share capital	Retained earnings	Total
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(704)	(704)
Comprehensive income		(132 242)	(132 242)
<b>Balance 31.12.2016</b>	<b>2 719</b>	<b>594 425</b>	<b>597 144</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Treasure ASA

## Notes - financial report

### Note 1 - Accounting principles

#### General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2016 for Treasure ASA group (TRE), which has been prepared in accordance with IFRS's endorsed by the EU.

#### Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for TRE for the year end 31 December 2016.

#### Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

### Note 2 - Shares

The share capital is as follows with a nominal value of NOK 0.10

Ordinary shares	220 000 000
<b>Total shares</b>	<b>220 000 000</b>

Earnings per share taking into consideration the number of outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after minority interests, by average number of total outstanding shares.

Earnings per share is calculated based on 220 000 000 shares for 2016 and 2017.

### Note 3 - Available-for-sale financial assets

USD thousand	30.06.2017	30.06.2016	31.12.2016
<b>Available-for-sale financial assets</b>			
<b>At 1 January</b>	580 194		
Demerger from Wih Wilhelmsen ASA		712 769	712 769
Mark to market valuation	39 804	(39 838)	(132 576)
<b>Total available-for-sale financial assets</b>	<b>619 998</b>	<b>672 931</b>	<b>580 194</b>

Available-for-sale financial assets are denominated in KRW

### Note 4 - Financial level

USD thousand	Level 1	30.06.2017 Total
<b>Financial assets at fair value</b>		
Available-for-sale financial assets	619 998	619 998
<b>Total financial assets 30.06.</b>	<b>619 998</b>	<b>619 998</b>

  

USD thousand	Level 1	30.06.2016 Total
<b>Financial assets at fair value</b>		
Available-for-sale financial assets	672 931	672 931
<b>Total financial assets 30.06.</b>	<b>672 931</b>	<b>672 931</b>

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date.

### Note 5 - Dividend

The proposed dividend for fiscal year 2016 in 2017 is NOK 0.30 per share, was approved by the annual general meeting on 27 April 2017, and paid to the shareholders in May 2017. The board received approval from the extraordinary

general meeting (EGM) 9 August 2017 to pay an extra dividend of NOK 0.65 per share, payable in the third quarter of 2017



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## Note 6 - Income statement - pro forma figures for Q1 2016 and full year 2015 and 2016 and reported Q2, Q3 and Q4 2016

USD mill	Pro forma	Reported	Reported	Reported	Pro forma	
	Full year 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Full year 2015
<b>Income</b>						
Dividend from available -for-sale financial asset	11,9				11,9	8,2
Other income	0,3	0,2	0,1			
<b>Total income</b>	<b>0,3</b>	<b>0,2</b>	<b>0,1</b>	<b>0,0</b>	<b>11,9</b>	<b>8,2</b>
<b>Operating expenses</b>						
Other expenses	(0,7)	(0,2)	(0,4)	(0,1)	0,0	(0,4)
<b>Total operating expenses</b>	<b>(0,7)</b>	<b>(0,2)</b>	<b>(0,4)</b>	<b>(0,1)</b>	<b>0,0</b>	<b>(0,4)</b>
<b>Operating profit <sup>2</sup></b>	<b>(0,4)</b>	<b>(0,0)</b>	<b>(0,2)</b>	<b>(0,1)</b>	<b>11,9</b>	<b>7,8</b>
Financial income/(expenses)	(2,0)	-0,1	(0,0)	(0,7)	(1,1)	(0,0)
<b>Profit/(loss) before tax</b>	<b>(2,4)</b>	<b>(0,2)</b>	<b>(0,3)</b>	<b>(0,9)</b>	<b>10,8</b>	<b>7,8</b>
Income tax	(1,8)	0,0	0,0	0,0	(1,8)	(1,4)
<b>Profit/(loss)</b>	<b>(4,2)</b>	<b>(0,2)</b>	<b>(0,3)</b>	<b>(0,9)</b>	<b>9,0</b>	<b>6,3</b>

## Statement of Comprehensive Income

Profit for the period	(4,2)	(0,2)	(0,3)	(0,9)	9,0	6,3
<b>Items that will be reclassified to income statement</b>						
Changes in fair value of available-for-sale financial asset	79,0	40,4	69,7	(39,5)	8,4	(465,7)
<b>Other comprehensive income, net of tax</b>	<b>79,0</b>	<b>40,4</b>	<b>69,7</b>	<b>(39,5)</b>	<b>8,4</b>	<b>(465,7)</b>
<b>Total comprehensive income for the period</b>	<b>74,8</b>	<b>40,2</b>	<b>69,4</b>	<b>(40,4)</b>	<b>17,4</b>	<b>(459,4)</b>

# Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2017 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Lysaker, 9 August 2017  
The board of directors of Treasure ASA



Thomas Wilhelmsen  
Chair



Christian Berg



Marianne Lie

Bente Breivik



Magnus A.K. Sande  
CEO

