

Treasure ASA

QUARTERLY REPORT

4TH QUARTER 2016

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Report for the fourth quarter of 2016

Highlights & Financial Summary

- Net Profit of USD 427 thousand, mainly due to creation of tax asset on unrealised FX translation loss.
- Share price in Hyundai Glovis moved from 181.000 KRW to 154.500 KRW per share and USDKRW from 1101 to 1202 during the quarter
- The Treasure ASA share price traded between 14.65 NOK and 18.60 NOK during the quarter, closing at 16,70 NOK at the end, down 6% for the period
- NAV per share at the end of the quarter: 23,39 NOK
- Discount to NAV on average 32,0% during the fourth quarter
- The Board will propose the following to the AGM
 - Dividend of 0,30 NOK per share, payable in the second quarter of 2017
 - Authorization to buy back own shares up to 10% of outstanding shares
 - Authorization to issue new shares up to 10% of outstanding shares

Investment Case

Background

- Treasure ASA was demerged from Wilh Wilhelmsen ASA (WWASA) and listed on the Oslo Stock Exchange on 8 June 2016.
- All shareholders of WWASA received 1 share of Treasure ASA for every share held in WWASA.

Investment

- The company holds (via the wholly-owned subsidiary Den Norske Amerikalinje AS) 4.513.582 shares in Hyundai Glovis Co. Ltd., corresponding to an ownership of 12.04%.
- Hyundai Glovis is a global logistics company listed on the KRX Korea Exchange.
- Treasure ASA is debt free with a net cash position of ca USD 16.4 million.

Strategy

- The holding in Hyundai Glovis is strategic in nature towards the HMC Group in Korea.
- Treasure ASA is represented on the Board of Directors of Hyundai Glovis with two board members.
- Treasure ASA shall create shareholder value through a combination of increased value of the shares and dividend payments.
- The primary source of income for Treasure ASA is dividend from Hyundai Glovis.

Prospects

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

Lysaker, 9 February 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.

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Income statement - financial report

USD thousand	Note	01.09-31.12 2016	YTD 2016
Dividend from available-for-sale financial asset			
Other income		89	201
Total income		89	201
Operating expenses			
Other operating expenses		(120)	(595)
Total operating expenses		(120)	(595)
Operating profit		(31)	(394)
Financial income/(expenses)			
Financial income		15	33
Financial expenses		3	(782)
Net financial income/(expenses)		19	(749)
Profit before tax		(12)	(1 143)
Tax income/(expense)		440	440
Profit for the period		427	(704)
Attributable to: owners of the parent		427	(704)
Basic earnings per share (USD)	2	0,00	0,00

Comprehensive income - financial report

USD thousand	01.09-31.12 2016	YTD 2016
Profit for the period	427	(704)
Items that will be reclassified to income statement		
Changes in fair value of available-for-sale financial asset	(162 421)	(132 576)
Currency translation	(40)	334
Other comprehensive income, net of tax	(162 462)	(132 242)
Total comprehensive income for the period	(162 034)	(132 945)
Total comprehensive income attributable to the owners of the parent	(162 034)	(132 945)

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

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Balance sheet - financial report

USD thousand	Note	31.12.2016
Non current assets		
Deferred tax asset		458
Available-for-sale financial assets	3	580 194
Total non current assets		580 652
Current assets		
Other current assets		143
Cash and cash equivalents		16 416
Total current assets		16 559
Total assets		597 211
Equity		
Paid-in capital	2	2 719
Retained earnings		594 425
Attributable to equity holders of the owners		597 144
Current liabilities		
Other current liabilities		68
Total current liabilities		68
Total equity and liabilities		597 211

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

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Cash flow statement - financial report

USD thousand	Note	01.09-31.12 2016	YTD 2016
Cash flow from operating activities			
Profit before tax		(12)	(1 143)
Financial (income)/expenses		(19)	749
Change in working capital		(271)	(411)
Tax paid (company income tax, withholding tax)		(24)	(24)
Net cash provided by operating activities		(326)	(829)
Cash flow from investing activities			
Interest received		15	33
Net cash flow from investing activities		15	33
Cash flow from financing activities			
Demerger WWASA			17 212
Net cash flow from financing activities		0	17 212
Net increase in cash and cash equivalents ¹		(311)	16 416
Cash and cash equivalents at the beg. of the period ¹		16 727	
Cash and cash equivalents at the end of the period ¹		16 416	16 416

¹ Excluding restricted cash.

The group has several 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
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(704)	(704)
Comprehensive income		(132 242)	(132 242)
Balance 31.12.2016	2 719	594 425	597 144

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

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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".

Basic policies

The financial accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union, to the extent applicable.

Treasure group's presentation currency is USD. The functional currency of the Company is NOK, while the presentation currency is USD.

The main assets of the Treasure group are shares held in Hyundai Glovis, which are accounted for as "available-for-sale". The shares in Hyundai Glovis are denominated in KRW and traded on the KRX.

Background

Treasure ASA, (the "Company") is a company domiciled in Norway and the business address is Strandveien 20, 1366 Lysaker. The principal activity of the Company are investment in financial assets and investments in other companies with similar activities. The Company was incorporated on 12 February 2016 and was a wholly owned subsidiary of Wilh. Wilhelmsen ASA ("WWASA"). For the period prior to this, the Company has no historical financial information.

The Company has contemplating the transaction (the "Transaction"), the demerger of WWASA was proposed as part of a reorganisation of the Wilh. Wilhelmsen Group.

WWASA's 12.04% holding in Hyundai Glovis Co. Ltd., Korea ("Glovis") is today owned by the wholly owned subsidiary Den Norske Amerikalinje AS, ("NAL"). Together, the Company and NAL comprise the Group (the "Group"). WWASA's shares in NAL have been transferred to the Company by the demerger, and the Company will then own the Glovis investment through NAL.

Before the demerger 8 June the group has no historical figures.

Available-for-sale financial assets and dividend income

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses recognised as a separate component in other comprehensive income until the investments is derecognised, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of the investments that are actively traded in organised financial markets is determined by reference to quoted market bid price at the close of business on the balance sheet date. For investments where there is no active market fair value are determined applying commonly used valuation techniques. Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Income in the combined income statement of Treasure is dividend income arising

from the available-for-sale financial asset. This income is recognised when it is approved.

Foreign currency translation

Transactions in foreign currencies are recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of the exchange at the balance sheet date. The realised and unrealised currency gains or losses are included in financial income or expense.

Related party transactions

The group and the parent company have transactions with associated companies. These contracts are based on commercial market terms.

Taxes

Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws which have been 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 settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, and that the temporary differences can be deducted from this profit. Deferred income tax is calculated on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the group. Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other current highly liquid investments with original maturities of three months or less, or bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities on the balance sheet.

Dividend in the group accounts

Dividend payments to the parent company's shareholders are recognised as a liability in the group's financial statements from the date when the dividend is approved by the general meeting

Roundings

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

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Notes - financial report

Note 2 - Shares

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

Ordinary shares	220 000 000
Total shares	220 000 000

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.

Note 3 - Available-for-sale financial assets

USD thousand	31.12.2016
Available-for-sale financial assets	
Demerger from Wilh Wilhelmsen ASA	712 769
Mark to market valuation	(132 576)
Total available-for-sale financial assets	580 194

Available-for-sale financial assets are denominated in KRW

Note 4 - Financial level

USD thousand	Level 1	31.12.2016 Total
Financial assets at fair value		
Available-for-sale financial assets	580 194	580 194
Total financial assets 31.12	580 194	580 194

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, payable in the second quarter of 2017.
A decision on this proposal will be taken by the annual general meeting on 27

April 2017. The proposed dividend is not accrued in the year-end balance sheet. The dividend will have effect on retained earnings in second 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
Income						
Dividend from available -for-sale financial asset	11,9				11,9	8,2
Other income	0,2	0,1	0,1			
Total income	0,2	0,1	0,1	0,0	11,9	8,2
Operating expenses						
Other expenses	(0,6)	(0,1)	(0,4)	(0,1)	0,0	(0,4)
Total operating expenses	(0,6)	(0,1)	(0,4)	(0,1)	0,0	(0,4)
Operating profit ²	(0,4)	(0,0)	(0,2)	(0,1)	11,9	7,8
Financial income/(expenses)	(1,9)	0,0	(0,0)	(0,7)	(1,1)	(0,0)
Profit/(loss) before tax	(2,2)	(0,0)	(0,3)	(0,9)	10,8	7,8
Income tax	(1,8)	0,0	0,0	0,0	(1,8)	(1,4)
Profit/(loss)	(4,0)	(0,0)	(0,3)	(0,9)	9,0	6,3

Statement of Comprehensive Income

Profit for the period	(4,0)	(0,0)	(0,3)	(0,9)	9,0	6,3
Items that will be reclassified to income statement						
Changes in fair value of available-for-sale financial asset	(123,8)	(162,5)	69,7	(39,5)	8,4	(465,7)
Other comprehensive income, net of tax	(123,8)	(162,5)	69,7	(39,5)	8,4	(465,7)
Total comprehensive income for the period	(127,9)	(162,5)	69,4	(40,4)	17,4	(459,4)