

Treasure ASA

# Annual report 2018

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# Directors' report for 2018

## Treasure ASA

### Main development and strategic direction

Treasure ASA was incorporated in 2016, following a demerger from Wilh. Wilhelmsen ASA (WWASA), and listed on the Oslo Stock Exchange 8 June 2016. The company has no own operations nor employees. The group purchases management and necessary corporate services from Wilh. Wilhelmsen Holding ASA (WWH) based on Service Level Agreements (SLAs).

Through Den Norske Amerikalinje AS (NAL), a 100%-owned subsidiary of Treasure ASA, the company owns 4 513 582 shares (12.04%) of the shares in Hyundai Glovis, a global transportation and logistics provider based in Seoul, Korea.

The group's fundamental objective is to generate significant total shareholder returns from investments within the maritime and logistics industries. The group can generate shareholder returns by growth in the market value of its shares, through dividends or other distributions to shareholders.

Whereas the primary focus is on managing the shareholding in Hyundai Glovis, the financial capabilities of the group are strong. The board and management will continue to

- enhance the relationship with the Hyundai Group and other stakeholders
- identify other attractive investment opportunities to balance the asset base further.

A shareholder agreement (SHA) exists between Treasure ASA group and the controlling shareholders of Hyundai Glovis, M.K. Chung and E.S. Chung. The SHA contains a set of provisions regarding ownership and governance. Treasure ASA is currently entitled to appoint two members to the Board of Directors at Hyundai Glovis.

During 2018 the share price of Treasure ASA fluctuated between 10.30 to 17.60 NOK and the company paid a dividend of 0.30 NOK in the

second quarter and bought back 1.45 million own shares at 12.00 NOK per share by means of a reverse book building during the fourth quarter.

### Financial summary – the group financial accounts

#### Going concern assumption

Pursuant to section 4, sub-section 5, confer section 3, sub-section 3a of the Norwegian Accounting Act, it is confirmed that the annual accounts have been prepared under the assumption that the enterprise is a going concern and that the conditions are present.

#### Income statement

The group's main source of income is the dividend paid to the shareholders of Hyundai Glovis (historically paid in Q2 of each year).

The Treasure ASA group's financial accounts for 2018 showed an income of USD 12.5 million (2017: USD 12.1 million) and loss before tax of USD 40.6 million (2017: loss of USD 125.6 million).

The loss before tax is including net change in fair value of the shares in Hyundai Glovis with a loss of USD 52.8 million (2017: impairment of the stake of Hyundai Glovis of USD 137.4 million).

Tax was included with an expense of USD 2.0 million (2017: USD 2.0 million) and Net loss after tax was USD 42.7 million (2017: Net loss of USD 127.6 million) in 2018.

#### Financial asset

The shareholding in Hyundai Glovis is classified as financial assets to fair value with change in fair value through income statement under Non-current assets. For the financial year 2017 the group has recorded the changes in the market value under "Other Comprehensive Income".

#### Balance Sheet

Total assets for Treasure ASA group at the end of 2018 was USD 522.5 million (2017: USD 575.4

million), of which USD 2.1 million (2017: USD 2.1 million) in cash and cash equivalents. The group has no interest-bearing debt.

#### **Hyundai Glovis**

Revenues and profitability are closely linked to the performance of the main customer, Hyundai Motor Group.

The Hyundai Glovis share price fell 5%, but outperformed the general performance of the Korean Stock Market during 2018. Overall, Emerging Markets' equities struggled during the year as geopolitical risks increased. Uncertainty regarding the outcome of the restructuring of the Hyundai Group has increased volatility in the share price of Hyundai Glovis.

The market value of Treasure ASA's shareholding in Hyundai Glovis was USD 522.5 million (2017: USD 575.4 million) at the end of the year, representing a Net Asset Value of approximately 21 NOK per outstanding share in Treasure ASA.

#### **Cash flow, liquidity and debt**

The Treasure ASA group had no material change in its cash and cash equivalents in the year (2017: Decrease of USD 14.2 million), reflecting the payment of dividends and share buy-backs during 2018.

#### **Risk**

The shareholding in Hyundai Glovis, through its capital intensity and cyclical exposure to demand and supply of vehicles, dominates the risk of Treasure ASA group. Changes in trade conditions and global demand for Hyundai and Kia vehicles may affect transportation flows and thereby the financial performance and the volatility in the share price of Hyundai Glovis.

#### **Operational risk**

The Treasure ASA group has no employees. Corporate functions as general management, accounting, investor relations, legal, tax, communication etc. are covered via extensive and detailed SLAs with WWH. The board is familiar and confident with the quality of these services.

#### **Financial risk**

Treasure ASA remains exposed to a range of financial risk factors, particularly stemming from the equity market conditions globally and in Korea as well as from movements in the Korean Won.

#### **Internal control and risk management**

Treasure ASA is committed to manage risks

in a sound manner related to its investments. This commitment spans monitoring of the current environment, implementation of measures to mitigate risks and responding to risks to mitigate consequences.

The group's exposure to and management of financial risk are further described in Note 8 of the 2018 accounts. This includes foreign exchange rate risk, credit risk and liquidity risk.

While the main investment is of a long-term nature, any fluctuations in values will have impact on the net asset value and solidity of the group and may affect profitability.

#### **Corporate governance, control and compliance**

The board's corporate governance report for 2018 can be found on [treasureasa.com](https://www.treasureasa.com).

Treasure ASA group observes the Norwegian Code of Practice for corporate governance, in addition to requirements as specified in the Norwegian Public Companies Act and the Norwegian Accounting Act.

It is the board's view that, given the company's business model, the company has an appropriate governance structure and that it is managed in a satisfactory way.

#### **Health, working environment, gender diversity and safety**

The board is unaware of any material issues concerning work related issues nor is it aware of any material alleged violations stemming from the SLAs between WWH and Treasure ASA.

#### **Sustainability**

Since the company's main asset is a shareholding in a listed company, the board has not developed a separate sustainability report for the company. As the group's main activity is investments, the potential environmental impacts of its own business activities are not material.

However, the company builds its social responsibility guidelines on the foundation set by its majority shareholder and includes environmental, social and corporate governance issues in its investment analysis, business decisions, ownership practises and financial reporting.

Treasure ASA's majority shareholder (WWH) issues an annual sustainability report, which is available on [wilhelmsen.com](https://www.wilhelmsen.com).

Through clearly expressed expectations to Hyundai Glovis, the group will contribute

to promote human rights, sound working standards, reduce environmental impact, and work towards eliminating corruption in own operations and investments, as well as the operations of suppliers and business partners.

#### Allocation of profit, dividend and buy-back

The board's proposal for allocation of the net profit for the year is as follows:

Parent company accounts (NOK thousand)	
Profit for the year	NOK 79 789
To equity	NOK 13 789
Proposed Dividend	NOK 66 000
<b>Total Allocation</b>	<b>NOK 79 789</b>

The board is proposing a NOK 0.30 dividend per share payable during the second quarter of 2019, representing a total payment of NOK 66 million.

The Treasure ASA board of directors is proposing to the Annual General Meeting – in addition to cancel own shares – to renew the annual authorization to buy back up to 10% of the company's own issued shares and to issue up to 10% of new shares.

#### Prospects

Treasure ASA is an investment company with currently one main asset. The prospects for the group correlates strongly with the general development of the Hyundai Glovis financial and share price performance.

Projections for 2019 indicates a moderate improvement in global growth relative to previous years. The current political landscape with potential for increased protectionism, however, adds uncertainty.

Extensive information on Hyundai Glovis can be found on [ir.glovis.net](http://ir.glovis.net).

#### Outlook

In 2019, Treasure ASA will continue to build and extend its strategic relationship with Hyundai Glovis.

Given the strong balance sheet, the investment capacity is significant. Management will continue its strategy development, including a systematic assessment of potential investment opportunities within the maritime and logistics segments.

The Board expects the value of the group's main asset to fluctuate in line with the general equity indexes of the Korean Stock Exchange.

Lysaker, 13 February 2019  
The board of directors of Treasure ASA



Thomas Wilhelmsen  
chair



Marianne Lie



Benedicte Bakke Agerup



Christian Berg



Magnus Sande  
CEO

## Income statement Treasure group

USD thousand	Note	2018	2017
Dividend from Hyundai Glovis		12 529	11 780
Other income		367	461
Change in fair value of shares in Hyundai Glovis		(52 822)	
Foreign currency gain/loss			(138)
Other expenses		(691)	(366)
Impairment shares in Hyundai Glovis			(137 354)
<b>Profit/(loss) before tax</b>		<b>(40 617)</b>	<b>(125 617)</b>
Tax income/(expense)	2	(2 089)	(2 036)
<b>Profit/(loss) for the year</b>		<b>(42 707)</b>	<b>(127 653)</b>
Basic / diluted earnings per share (USD)	3	(0.19)	(0.58)

## Comprehensive income Treasure group

USD thousand	Note	2018	2017
Profit/(loss) for the year		(42 707)	(127 653)
<b>Items that may be reclassified to the income statement</b>			
Changes in fair value financial asset	4		(4 779)
Changes in fair value financial assets reclassified to income statement			137 354
Currency translation differences		172	1 022
<b>Other comprehensive income, net of tax</b>		<b>171</b>	<b>133 597</b>
<b>Total comprehensive income for the year</b>		<b>(42 535)</b>	<b>5 943</b>

Notes 1 to 10 on the next pages are an integral part of these consolidated financial statements.

## Balance sheet Treasure group

USD thousand	Note	31.12.2018	31.12.2017
<b>ASSETS</b>			
<b>Non current assets</b>			
Deferred tax asset	2	170	316
Financial assets	4/5/8	522 593	575 415
<b>Total non current assets</b>		<b>522 763</b>	<b>575 731</b>
<b>Current assets</b>			
Other current assets	8	19	6
Cash and cash equivalents	8	2 130	2 132
<b>Total current assets</b>		<b>2 149</b>	<b>2 138</b>
<b>Total assets</b>		<b>524 912</b>	<b>577 869</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in capital		2 719	2 719
Own shares		(18)	
Retained earnings and other reserves		522 163	575 091
<b>Attributable to equity holders of the parent</b>		<b>524 864</b>	<b>577 811</b>
<b>Current liabilities</b>			
Other current liabilities		48	59
<b>Total current liabilities</b>		<b>48</b>	<b>59</b>
<b>Total equity and liabilities</b>		<b>524 912</b>	<b>577 869</b>

Lysaker, 13 February 2019  
The board of directors of Treasure ASA



Thomas Wilhelmsen  
chair



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Christian Berg



Magnus Sande  
CEO

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## Cash flow statement Treasury group

USD thousand	Note	2018	2017
<b>Cash flow from operating activities</b>			
Dividend from Hyundai Glovis		12 529	11 780
Other income		367	364
Change in working capital		(105)	888
Tax paid	2	(1 960)	(2 036)
<b>Net cash provided by operating activities</b>		<b>10 831</b>	<b>10 997</b>
<b>Cash flow from investing activities</b>			
Financial income	1	42	97
Financial expenses	1	(391)	(101)
<b>Net cash flow from investing activities</b>		<b>(350)</b>	<b>(5)</b>
<b>Cash flow from financing activities</b>			
Purchase of own shares		(2 160)	
Dividend to shareholders		(8 323)	(25 276)
<b>Net cash flow from financing activities</b>		<b>(10 483)</b>	<b>(25 276)</b>
Net increase/(decrease) in cash and cash equivalents		(2)	(14 284)
Cash and cash equivalents at the beginning of the period		2 132	16 416
<b>Cash and cash equivalents at 31.12</b>		<b>2 130</b>	<b>2 132</b>

The group has bank accounts in different currencies. The cash flow effect from revaluation of cash and cash equivalents is included in net cash flow provided by operating activities.

Notes 1 to 10 on the next pages are an integral part of these consolidated financial statements.

## Equity Treasure group

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD thousand	Share capital	Own shares	Retained earnings	Total equity
Balance 31.12.2017	2 719		575 091	577 811
Purchase of own shares		(18)	(2 070)	(2 088)
Profit for the period			(42 707)	(42 707)
Dividend to shareholders			(8 323)	(8 323)
Other comprehensive income			172	172
<b>Balance 31.12.2018</b>	<b>2 719</b>	<b>(18)</b>	<b>522 163</b>	<b>524 864</b>

USD thousand	Share capital	Retained earnings	Total equity
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		(127 653)	(127 653)
Dividend to shareholders		(25 276)	(25 276)
Other comprehensive income		133 597	133 597
<b>Balance 31.12.2017</b>	<b>2 719</b>	<b>575 091</b>	<b>577 811</b>

The company paid dividend of NOK 0.30 in May 2018.

The proposed dividend for fiscal year 2018 is NOK 0.30 per share, payable in the 1. half year of 2019.

A decision on this proposal will be taken by the annual general meeting on 13 March 2019. The proposed dividend is not accrued in the year-end balance sheet.

The dividend will have effect on retained earnings in 1. half year of 2019.

Notes 1 to 10 on the next pages are an integral part of these consolidated financial statements.

## Accounting policies Treasure ASA group and Treasure ASA

### GENERAL INFORMATION

Treasure ASA (referred to as the parent company) is domiciled in Norway. The parent company's consolidated accounts for fiscal year 2018 include the parent company and its subsidiary (referred to collectively as the group).

The annual accounts for the group and the parent company were issued by the board of directors on 13 February 2019.

The parent company is a public limited liability company which is listed on the Oslo Stock Exchange.

### 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.

The main assets of the Treasure group are shares held in Hyundai Glovis, which are accounted as financial assets at fair value through profit or loss. The share price of Hyundai Glovis is quoted in KRW and traded on the Korean Stock Exchange.

The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS approved by Ministry of Finance 3 November 2014. The parent company has elected to apply the exception from IFRS for dividends and group contributions. Otherwise, the explanations of the accounting policy for the group also apply to the parent company.

### Background

The principal activity of the Company is investment in financial assets and investments in other companies with similar activities.

The group accounts are presented in US dollars (USD), rounded off to the nearest million. Treasure ASA is a subsidiary of Wilh. Wilhelmsen Holding ASA (own 72.73% of the shares). Since Wilh. Wilhelmsen Holding group presents its group accounts in USD, the same presentation currency is chosen for Treasure's group accounts.

The parent company accounts are presented in its functional currency NOK.

The income statements and balance sheets for group companies with a functional currency which differs from the presentation currency (USD) are translated as follows:

- The balance sheet is translated at the closing exchange rate on the balance sheet date
- Income and expense items are translated at a rate that is representative as an average exchange rate for the period, unless the exchange rates fluctuate significantly for that period, in which case the exchange rates at the dates of transaction are used
- The translation difference is recognised in other comprehensive income and split between controlling and minority interests

Preparing financial statements in conformity with IFRS and simplified IFRS requires the management to make use of estimates and assumptions which affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable in the circumstances. The actual result can vary from these estimates.

Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements are described in more detail below in the section on critical accounting estimates and assumptions.

The accounting policies outlined below have been applied consistently for all the periods presented in the accounts.

### Standards, amendments and interpretations

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1

January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018. The Group has not adjusting the comparative information for the period beginning 1 January 2017.

### Classification and measurement

The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the Group's financial assets:

See Note 4 "Financial assets to fair value" for evaluation of IFRS 9's presentation options, for assets accounted for as "Available for sale" under IAS 39, available from the effective date of 01.01.2018.

The group has evaluated the impact of IFRS 15. The implementation of the standard has no impact to the financial statement for the group.

There are no other new or amended standards adopted by the group or parent company from 1 January 2018 or later.

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group;

- IFRS 16 Leases, issued in January 2016 and effective from 1 January 2019 covers the recognition of leases and related disclosure in the financial statements, and will replace IAS 17 Leases.

The group has evaluated the impact of above IFRS standards and currently IFRS 16 has no impact of the financial statements for the group.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group and the parent company.

### CONSOLIDATION POLICIES

The group consolidate the 100% owned subsidiary Den Norske Amerikaline AS.

### SEGMENT REPORTING

The group's main investment is the investment in Hyundai Glovis Ltd. Segment information is therefore not relevant.

### RELATED PARTIES TRANSACTIONS

The group and the parent company have contracts and transactions with companies in Wilh. Wilhelmsen Holding group. These are based on market terms and cover management services.

See note 9 to the group accounts for transactions and 7 to the parent company accounts.

### FOREIGN CURRENCY TRANSACTION AND TRANSLATION

#### Transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated 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.

#### Translations

In the consolidated financial statements, the assets and liabilities of non USD functional currency subsidiaries, including any related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flow of non USD functional currency subsidiaries, are translated into USD using average exchange rate for the period reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

Exchange adjustments arising when the opening net assets and the net income for the year retained by non USD operation are translated into USD are recognised in other comprehensive income. On disposals of a non USD

functional currency subsidiary, the deferred cumulative amount recognised in equity relating to that particular entity is recognised in the income statement.

#### REVENUE RECOGNITION

Revenue is recognised when it is probable that a transaction will generate a future economic benefit that will accrue to the entity and the size of the amount can be reliably estimated. Dividend from the investment in Hyundai Glovis is recognised when it is confirmed at a shareholder's meeting.

Revenues are recognised at fair value and presented net of value added tax and discounts. Other income is mainly consultant fee to Hyundai Glovis.

#### FINANCIAL ASSETS

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss (FVPL)

Management determines the classification of financial assets at their initial recognition.

Financial assets subsequently carried at fair value are initially recognised at fair value, and transaction costs are expensed in the income statement.

#### Short term investments

This category consists of financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profit from short term price gains. Short term investments are valued at fair value (market value). The resulting unrealised gains and losses are included in financial income and expense. Derivatives are also placed in this category unless designated as hedges. Assets in this category are classified as current.

#### Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments, which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivable are classified as other current assets or other non current assets in the balance sheet.

Loans and receivables are recognised initially at their fair value plus transaction costs. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realised gains and losses are recognised in the income statement in the period they arise.

#### Financial assets to fair value

The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the Group's financial assets.

Equity investments in listed companies:

The financial asset was previously classified as "available-for-sale" financial asset is now classified and measured as equity instruments designated at fair value through income statement.

Change in fair value during the period, is recognised in the income statement.

Financial assets to fair value 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.

#### DEFERRED TAX / DEFERRED TAX ASSET

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 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 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 tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include, deposits held at call with banks, other current highly liquid investments with original maturities of three months or less.

#### DIVIDEND DISTRIBUTION 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.

#### DIVIDEND AND GROUP CONTRIBUTION IN PARENT ACCOUNTS

Proposed dividend for the parent company's shareholders is recognised in the parent company account as a liability at 31 December in the current year.

## Note 1 Operating expenses, Income statement

USD thousand	Note	2018	2017
<b>OTHER EXPENSES</b>			
Personell expenses		(46)	(55)
Travel expenses		(8)	(4)
Audit fee		(29)	(37)
Consultant, and legal fees		(2)	(22)
Reversal of accrual			73
Other operating expenses		(50)	(28)
Management fee	9	(205)	(192)
<b>Total other expenses</b>		<b>(341)</b>	<b>(265)</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Other financial income		42	73
Other financial expenses		(68)	(78)
Net currency gain/(loss)		(323)	(138)
<b>Financial income/(expenses)</b>		<b>(350)</b>	<b>(142)</b>
<b>REMUNERATION BOARD OF DIRECTORS</b>			
		2018	2017
Marianne Lie		12	12
Bente Brevik		12	12
Thomas Wilhelmsen			
Benedicte Bakke Agerup			
Christian Berg			

The boards remuneration for the fiscal year 2018 will be approved by the general assembly 26 April 2019.

Remuneration of the nomination committee totalled USD 10 thousand for 2018.

Treasure ASA does not have any employees. The CEO and CFO who composes the management of Treasure ASA are employed by Wilh.Wilhelmsen Holding ASA (WWH) and are hired in on the basis of an Service Level Agreement. See note 9 for further details.

### EXPENSED AUDIT FEE

USD thousand	2018	2017
Statutory audit	(23)	(34)
Other assurance services	(6)	(4)
<b>Total expensed audit fee</b>	<b>(29)</b>	<b>(37)</b>

## Note 2 Tax

### ORDINARY TAXATION

The ordinary rate of corporation tax in Norway is 23% of net profit for 2018. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10% resident outside the EEA.

For group companies located in the same country and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry forwards in other group companies. Deferred tax/deferred tax asset

has been calculated on temporary differences to the extent that it is likely that these can be utilised in each country and for Norwegian entities the group has applied a rate of 22%.

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method.

The ownership of Hyundai Glovis is 12.04% and the share income is thus considered tax free.

Dividends from Hyundai Glovis Co Ltd are subject to 15% withholding tax in Republic of Korea.

USD thousand	2018	2017
<b>Allocation of tax income/(expense) for the year</b>		
Withholding tax	(1 960)	(1 871)
Change in deferred tax	(130)	(165)
<b>Total tax income/(expense)</b>	<b>(2 089)</b>	<b>(2 036)</b>

The tax expense for 2018 is mainly driven by the withholding tax on received dividend.

### Reconciliation of actual tax cost against expected tax cost in accordance with the ordinary Norwegian income tax rate of 23%

Profit/(loss) before tax	(40 617)	(125 617)
23% tax (24% 2017)	9 342	30 148
<b>Tax effect from:</b>		
Permanent differences	(9 473)	(30 217)
Currency translation from USD to NOK for Norwegian tax purpose	17	(14)
Change in tax rate	(15)	(82)
Withholding tax	(1 960)	(1 871)
<b>Calculated tax income/(expense) for the group</b>	<b>(2 089)</b>	<b>(2 036)</b>
Effective tax rate for the group	(5.1%)	(1.6%)

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method.

USD thousand	2018	2017
Deferred tax assets to be recovered after more than 12 months	170	316
Deferred tax assets to be recovered within 12 months		
Deferred tax liabilities to be recovered after more than 12 months		
Deferred tax liabilities to be recovered within 12 months		
<b>Net deferred tax assets</b>	<b>170</b>	<b>316</b>
Opening balance 01.01	316	458
Currency translation differences	(17)	24
Income statement charge	(130)	(165)
<b>Net deferred tax assets at 31.12</b>	<b>170</b>	<b>316</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

USD thousand	Tax losses carried forward	Tax losses carried forward
<b>Deferred tax assets</b>		
Deferred tax assets 01.01	316	458
Through income statement	(130)	(165)
Currency translations	(17)	24
<b>Deferred tax assets 31.12</b>	<b>170</b>	<b>316</b>

## Note 3 Earnings per share

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

At 31 December 2018, Treasure ASA held 1 450 000 own shares.

Earnings per share is calculated based on average weighted outstanding shares, 219 879 167 for 2018.

## Note 4 Financial assets

USD thousand	2018	2017
<b>Financial assets</b>		
Opening balance 31.12	575 415	580 194
Impairment charge through income statement		(137 354)
Change in fair value financial assets	(52 822)	132 576
<b>Total financial assets</b>	<b>522 593</b>	<b>575 415</b>
<b>Financial assets</b>		
Hyundai Glovis Ltd	522 593	575 415

The fair value of the investment has decreased from previous year and recognized in the income statement.

Financial assets are denominated in KRW.

## Note 5 Financial level

USD thousand	2018 Level 1	2017 Level 1
<b>Financial assets at fair value</b>		
Financial assets	522 593	575 415
<b>Total financial assets 31.12</b>	<b>522 593</b>	<b>575 415</b>

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

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current close price. These instruments are included in level 1. Instruments included in level 1 at the end of 2018 are liquid investment grade equities.

## Note 6 Principal subsidiaries

	Business office/ country	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)
Den Norske Amerikalinje AS	Lysaker, Norway	Investments	100 %	100 %

The group's principal subsidiary at 31 December 2018 are set out above, and has share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting

rights held by the group. The country of incorporation or registration is also their principal place of business.

## Note 7 Segment reporting

### SEGMENT

The chief operating decision-maker monitors the business by combining similar operational characteristics such as product services, market and underlying asset base, into operating segments. The group's main investment is the investment in Hyundai Glovis Ltd. Segment information is therefore not relevant.

## Note 8 Financial risk

The group has exposure to the following financial risks from its ordinary operations:

- Market risk
  - Hyundai Glovis share price risk
  - Foreign exchange rate risk
- Credit risk
- Liquidity risk

### MARKET RISK

#### Share price risk

The group has exposure to risk connected with the movements in the share price of Hyundai Glovis. Although fundamentals have been stable over time and reflecting the underlying stable business model of Hyundai Glovis, valuation has been volatile, causing the share price to periodically exhibit elevated levels of volatility and not always in sync with the broader Korean Equity Market.

#### Foreign exchange rate risk

The group has exposure to currency risk mainly on balance sheet items denominated in currencies other than non-functional currencies (translation risk, mainly share price of Hyundai Glovis, denominated in KRW), and to a much lesser extent on revenues and costs in non-functional currencies (transaction

risk, mainly dividends from Hyundai Glovis, denominated in KRW).

The group has not established hedging strategies to mitigate risks originating from movements in share price and/or currencies.

### Credit risk

The group has very limited exposure to credit risk due to lack of material receivables.

### Off-balance sheet item

The Norwegian Company Act Law § 14-11, section 3 decide that the company under certain conditions will support repayment of debt issued by its former parent company Wallenius Wilhelmsen ASA at the date of the demerger. The nominal size of this joint liability – which is treated as an off-balance sheet item – has been significantly reduced since the demerger, due to debt restructuring at Wallenius Wilhelmsen ASA.

### Liquidity Risk

The group's liquidity risk is low in that it holds liquid assets in operational bank accounts. The group's approach to managing liquidity is to secure that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions.

USDmill

Sensitivities	(20%)	(10%)	0%	10%	20%
<b>Change in share price of Hyundai Glovis (KRW)</b>	<b>103 200</b>	<b>116 100</b>	<b>129 000</b>	<b>141 900</b>	<b>154 800</b>
<b>Change in Value</b>	<b>(105)</b>	<b>(52)</b>	<b>0</b>	<b>52</b>	<b>105</b>

USD mill

Sensitivities	(20%)	(10%)	0%	10%	20%
<b>Change in USDKRW exchange rate</b>	<b>891</b>	<b>1 003</b>	<b>1 114</b>	<b>1 226</b>	<b>1 337</b>
<b>Change in Value</b>	<b>(105)</b>	<b>(52)</b>	<b>0</b>	<b>52</b>	<b>105</b>

### CAPITAL RISK MANAGEMENT

The group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future investment capabilities. Treasury ASA's main source of liquidity is the annual dividend payment from its

shares in Hyundai Glovis, and will utilize these proceeds in addition to available liquidity to cover operational payments and the proposed 2018 dividend to its shareholders.

## Note 8 Financial risk

### Financial instruments by category

USD thousand	Note	Loans and receivables	Financial asset	Total
<b>Assets</b>				
Financial assets	4		522 593	522 593
Other current assets		19		19
Cash and cash equivalent		2 130		2 130
<b>Assets at 31.12.2018</b>		<b>2 149</b>	<b>522 593</b>	<b>524 742</b>

USD thousand	Note	Loans and receivables	Financial asset	Total
<b>Assets</b>				
Financial assets	4		575 415	575 415
Other current assets		6		6
Cash and cash equivalent		2 132		2 132
<b>Assets at 31.12.2017</b>		<b>2 138</b>	<b>575 415</b>	<b>577 553</b>

## Note 9 Related party transactions

The ultimate owner of Treasure ASA is Tallyman AS, which controls the company through its ownership in Wilh. Wilhelmsen Holding ASA. Tallyman AS controls 60.2% of the voting shares in Wilh Wilhelmsen Holding ASA, which again holds 72.7% of the shares in Treasure ASA. In addition, Tallyman AS holds 1 109 095 shares in Treasure ASA, corresponding to an ownership of 0.5%

The ultimate beneficial owners of Tallyman AS are the Wilhelmsen family. Mr Wilhelm Wilhelmsen controls Tallyman AS. In addition, Mr Wilhelm Wilhelmsen holds 42 000 shares in Treasure ASA through his 100%-owned company Tarago AS.

The group had transactions with related parties in 2018. All transactions are entered on market terms.

The services are:

- Management team (CEO and CFO)
- Shared services

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

Material related parties for Treasure group are:

Business office, country

Wilh Wilhelmsen Holding ASA (WWH)	Lysaker, Norway	Owns 72.73% of Treasure ASA
Wilhelmsen Accounting Services AS	Lysaker, Norway	Owned by WWH

USD thousand	2018	2017
<b>OPERATING EXPENSES TO RELATED PARTY</b>		
<b>Purchase of services from Wilh Wilhelmsen Holding group:</b>		
Management and accounting services	(205)	(192)
<b>Operating expenses to related party</b>	<b>(205)</b>	<b>(192)</b>

## Note 10 Events after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

Treasure ASA will be jointly and severally responsible for the obligations incurred by WWASA parent company prior to the demerger becoming effective.



## Income statement Treasure ASA

NOK thousand	Note	2018	2017
<b>Operating income</b>			
Other income	1	2 984	3 011
Dividend and group contribution from subsidiary	1	80 000	215 000
<b>Total operating income</b>		<b>82 984</b>	<b>218 011</b>
<b>Operating expenses</b>			
Impairment subsidiary	4		(1 178 271)
Other expenses	1	(2 284)	(2 471)
<b>Total operating expenses</b>		<b>(2 284)</b>	<b>(1 180 742)</b>
<b>Operating profit/(loss)</b>		<b>80 700</b>	<b>(962 731)</b>
<b>Financial income/(expenses)</b>			
Net financial income	1	504	303
Net financial expenses	1	(554)	(942)
<b>Financial income/(expenses)</b>		<b>(50)</b>	<b>(640)</b>
<b>Profit/(loss) before tax</b>		<b>80 650</b>	<b>(963 370)</b>
Tax income/(expenses)	3	(861)	(874)
<b>Profit for the year</b>		<b>79 789</b>	<b>(964 244)</b>
<b>Transfers and allocations</b>			
To/(from) equity	5	13 789	(1 173 244)
Proposed dividend	5	66 000	66 000
Interim dividend paid	5		143 000
<b>Total transfers and allocations</b>		<b>79 789</b>	<b>(964 244)</b>

Notes 1 to 9 on the next pages are an integral part of these financial statements.

## Balance sheet Treasure ASA

NOK thousand	Note	31.12.2018	31.12.2017
<b>ASSETS</b>			
<b>Non current assets</b>			
Deferred tax asset	3	1 291	1 499
Investments in subsidiaries	4	4 728 586	4 728 586
<b>Total non current assets</b>		<b>4 729 877</b>	<b>4 730 085</b>
<b>Current assets</b>			
Other current assets		166	47
Cash and cash equivalents		5 107	8 784
<b>Total current assets</b>		<b>5 274</b>	<b>8 832</b>
<b>Total assets</b>		<b>4 735 151</b>	<b>4 738 917</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in capital	5	22 000	22 000
Own shares	5	(145)	
Retained earnings	5	4 646 891	4 650 531
<b>Total equity</b>		<b>4 668 746</b>	<b>4 672 531</b>
<b>Current liabilities</b>			
Accounts payable	7	405	386
Dividend	5	66 000	66 000
<b>Total current liabilities</b>		<b>66 405</b>	<b>66 386</b>
<b>Total equity and liabilities</b>		<b>4 735 151</b>	<b>4 738 917</b>

Lysaker, 13 February 2019  
The board of directors of Treasure ASA



Thomas Wilhelmssen  
chair



Marianne Lie



Benedicte Bakke Agerup



Christian Berg



Magnus Sande  
CEO

Notes 1 to 9 on the next pages are an integral part of these financial statements.

## Cash flow statement Treasure ASA

NOK thousand	Note	2018	2017
<b>Cash flow from operating activities</b>			
Profit before tax		80 650	(963 370)
Financial (income)/expenses	1	50	640
Impairment subsidiary	4		1 178 271
Change in working capital		(100)	1 265
Tax paid (withholding tax)	3	(653)	(833)
<b>Net cash provided by operating activities</b>		<b>79 947</b>	<b>215 972</b>
<b>Cash flow from investing activities</b>			
Interest received	1	173	303
Financial income/expenses		(223)	(640)
<b>Net cash flow from investing activities</b>		<b>(50)</b>	<b>(337)</b>
<b>Cash flow from financing activities</b>			
Dividend to shareholders		(66 000)	(209 000)
Purchase of own shares		(17 574)	
<b>Net cash flow from financing activities</b>		<b>(83 574)</b>	<b>(209 000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(3 677)</b>	<b>6 635</b>
Cash and cash equivalents, at the beginning of the period		8 784	2 149
<b>Cash and cash equivalents at 31.12</b>		<b>5 107</b>	<b>8 784</b>

The company has bank accounts in both USD and NOK. Unrealised currency effects are included in net cash provided by operating activities.

Notes 1 to 9 on the next pages are an integral part of these financial statements.

## Note 1 Combined items, income statement

NOK thousand	Note	2018	2017
<b>OPERATING INCOME</b>			
Consultant fee Hyundai Glovis		2 984	3 011
Dividend and group contribution from subsidiary	7	80 000	215 000
<b>Total operating income</b>		<b>82 984</b>	<b>218 011</b>
<b>OTHER EXPENSES</b>			
Board of directors fee (incl soc. sec.)	2	(325)	(325)
Expenses to group companies	7	(1 350)	(1 317)
External services	2	(204)	(437)
Travel and meeting expenses		(84)	(159)
Other administration expenses		(321)	(233)
<b>Total other expenses</b>		<b>(2 284)</b>	<b>(2 471)</b>
<b>FINANCIAL INCOME/(EXPENSES)</b>			
<b>Financial income</b>			
Interest income		173	303
Net currency gain		330	
<b>Net financial income</b>		<b>504</b>	<b>303</b>
<b>Financial expenses</b>			
Other financial items	6	(554)	(837)
Net currency loss			(105)
<b>Net financial expenses</b>		<b>(554)</b>	<b>(942)</b>
<b>Net financial income</b>		<b>(50)</b>	<b>(640)</b>

## Note 2 Remuneration board of directors

NOK thousand	2018	2017
Marianne Lie	100	100
Bente Brevik	100	100
Thomas Wilhelmsen		
Christian Berg		
Benedicte Bakke Agerup		

The boards remuneration for the fiscal year 2018 will be approved by the general assembly 13 March 2019.

Remuneration of the nomination committee totalled NOK 85 thousand for 2018.

Treasure ASA does not have any employees. The CEO and CFO who composes the management of Treasure ASA are employed by Wilh.Wilhelmsen Holding ASA (WWH) and are hired in on the basis of an Service Level Agreement. See note 7 for further details.

### SHARES OWNED OR CONTROLLED BY REPRESENTATIVES OF TREASURE ASA AT 31 DECEMBER 2018

	Total	Part of total shares	Part of voting stock
<b>Board of directors</b>			
Thomas Wilhelmsen	42 000	0.02 %	0.02 %
Benedicte Bakke Agerup	585	0.00 %	0.00 %
Christian Berg			
Marianne Lie			

## Note 2 Remuneration board of directors

### EXPENSED AUDIT FEE (EXCLUDING VAT)

NOK thousand	2018	2017
Statutory audit	(189)	(257)
<b>Total audit fee expenses</b>	<b>(189)</b>	<b>(257)</b>

## Note 3 Tax

NOK thousand	2018	2017
<b>Allocation of tax income</b>		
Withholding tax	(653)	(833)
Change in deferred tax	(208)	(41)
<b>Total tax income</b>	<b>(861)</b>	<b>(874)</b>
<b>Basis for tax computation</b>		
Profit before tax	80 650	(963 370)
<b>23% tax (2017: 24%)</b>	<b>(18 549)</b>	<b>231 209</b>
<b>Tax effect from</b>		
Permanent differences	18 400	(231 185)
Withholding tax	(653)	(833)
Change in tax rate	(59)	(65)
<b>Current year calculated tax</b>	<b>(861)</b>	<b>(874)</b>
Effective tax rate	1.1 %	(0.1%)
<b>Deferred tax asset</b>		
Tax losses carried forward	1 291	1 499
<b>Deferred tax asset</b>	<b>1 291</b>	<b>1 499</b>
Deferred tax asset 01.01	1 499	1 540
Change of deferred tax through income statement	(208)	(41)
<b>Deferred tax asset 31.12</b>	<b>1 291</b>	<b>1 499</b>

## Note 4 Investments in subsidiaries

Investments in subsidiaries are recorded at cost. Where a reduction in the value of shares in subsidiaries is considered to be permanent and significant, an impairment to net realisable value is recorded.

NOK thousand	Business office country	Nature of business	Voting share/ ownership share	2018 Book value	2017 Book value
Den Norske Amerikaljinje AS	Lysaker, Norway	Investment	100%	4 728 586	4 728 586
<b>Total investments in subsidiaries</b>				<b>4 728 586</b>	<b>4 728 586</b>

The company's subsidiary at 31 December 2018 is set out above. Per year end 2017 an impairment was made related to the investment in Den Norske Amerikaljinje AS due to the fair value of shareholding in Hyundai Glovis. The impairment amounted to NOK 1 178 mill. No impairment during 2018.

The share capital consist solely of ordinary shares that are held directly by the company, and the propotion of ownership interest held equals the voting rights

held by the company. The country of incorporation or registration is also their prinsipal place of business.

Treasure ASA was demerged from Wallenius Wilhelmsen ASA on 8 June 2016, and as a consequence the investment in Den Norske Amerikaljinje AS was transferred to Treasure ASA.

## Note 5 Equity

NOK thousand	Share capital	Own shares	Retained earnings	Total
<b>Current year's change in equity</b>				
Equity 31.12.2017	22 000		4 650 531	4 672 531
Purchase of own shares		(145)	(17 429)	(17 574)
Profit for the year			79 789	79 789
Proposed dividend			(66 000)	(66 000)
<b>Equity 31.12.2018</b>	<b>22 000</b>	<b>(145)</b>	<b>4 646 891</b>	<b>4 668 746</b>

NOK thousand	Share capital	Retained earnings	Total
<b>2017 change in equity</b>			
Equity 31.12.2016	22 000	5 823 775	5 845 775
Profit for the year		(964 244)	(964 244)
Interim dividend paid		(143 000)	(143 000)
Proposed dividend		(66 000)	(66 000)
<b>Equity 31.12.2017</b>	<b>22 000</b>	<b>4 650 531</b>	<b>4 672 531</b>

At 31 December 2018 Treasure ASA had own shares of 1 450 000 shares. The total purchase price of these shares was NOK 17.5 million.

At 31 December 2018 the company's share capital comprises 220 000 000 shares with a nominal value of NOK 0.10 each.

### Dividend

The proposed dividend for fiscal year 2018 is NOK 0.30 per share, payable in the second quarter 2019. A decision on this proposal will be taken by the annual general meeting on 13 March 2019.

Dividend for fiscal year 2017 was NOK 0.30 per share paid in May 2018.

### The largest shareholders at 31 December 2018

Shareholders	Total number of shares	% of total shares
Wilh. Wilhelmsen Holding ASA	160 000 000	72.73 %
VPF Nordea Norge Verdi	9 066 587	4.12 %
Folketrygdfondet	7 603 031	3.46 %
Danske Invest Norske Instit. II.	4 927 551	2.24 %
Brown Brothers Harriman (LUX) SCA	3 364 942	1.53 %
Danske Invest Norske Aksjer Inst	2 577 312	1.17 %
VPF Nordea Kapital	1 818 842	0.83 %
Storebrand Norge i verdipapirfond	1 628 720	0.74 %
Verdipapirfondet SR-Utbytte	1 529 220	0.70 %
Treasure ASA	1 450 000	0.66 %
VPF Nordea Avkastning	1 219 364	0.55 %
Tallyman AS	1 109 095	0.50 %
Danske Invest Norge II	1 059 213	0.48 %
UBS AG	888 564	0.40 %
Nordnet Bank AS	819 361	0.37 %
Herfo Finans AS	805 670	0.37 %
SEB Prime solutions Carn Long Shor	724 890	0.33 %
Kvaal Invest AS	640 700	0.29 %
JP Morgan Securities LLC	624 412	0.28 %
Verdipapirfondet Nordea Norge Plus	590 188	0.27 %
Other	17 552 338	7.98%
<b>Total number of shares</b>	<b>220 000 000</b>	<b>100.00%</b>

### Shares on foreigners hands

At 31 December 2018 – 14 874 367 (6.76%) shares.

## Note 6 Financial risk

### CREDIT RISK

#### Off-balance sheet item

The Norwegian Company Act Law § 14-11, section 3 decide that the company under certain conditions will support repayment of debt issued by its former parent company Wallenius Wilhelmsen ASA at the date of the demerger. This joint liability is treated as an off-balance sheet item.

The parent general policy's is that no financial guarantees are provided by the parent company.

### Cash and bank deposits

The parent's exposure to credit risk on cash and bank deposits is considered to be very limited as the parent maintain banking relationships with a selection of well-known and good quality banks.

### LIQUIDITY RISK

The parent's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to at all times meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the parent and group's reputation.

## Note 7 Related party transaction

The ultimate owner of Treasure ASA is Tallyman AS, which controls the company through its ownership in Wilh. Wilhelmsen Holding ASA. Tallyman AS controls 60.2% of the voting shares in Wilh Wilhelmsen Holding ASA, which again holds 72.7% of the shares in Treasure ASA. In addition, Tallyman AS holds 1 109 095 shares in Treasure ASA, corresponding to an ownership of 0.5%

The ultimate beneficial owners of Tallyman AS are the Wilhelmsen family. Mr Wilhelm Wilhelmsen controls Tallyman AS. In addition, Mr Wilhelm Wilhelmsen holds 42 000 shares in Treasure ASA through his 100%-owned company Tarago AS.

The company has undertaken several transactions with related parties within the Wilh. Wilhelmsen Holding group. All transactions are entered into in the ordinary course of business of the company and the agreements pertaining to the transactions are all entered into on market terms.

Shared Services delivered to Treasure ASA relates to management, tax, communication, treasury, legal services, accounting and rent of office facilities. Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

NOK thousand

Note

2018

2017

### OPERATING EXPENSES TO GROUP COMPANIES

Wilhelmsen Accounting Services AS		273	267
Wilh. Wilhelmsen Holding ASA		1 076	1 050
<b>Operating expenses to group companies</b>	<b>1</b>	<b>1 350</b>	<b>1 317</b>

### DIVIDEND AND GROUP CONTRIBUTION FROM SUBSIDIARIES

Den Norske Amerikalinje AS		80 000	215 000
<b>Dividend and group contribution from subsidiary</b>	<b>1</b>	<b>80 000</b>	<b>215 000</b>

### ACCOUNT PAYABLES TO GROUP COMPANIES

Wilh. Wilhelmsen Holding ASA		(405)	(328)
<b>Account payables to group companies</b>		<b>(405)</b>	<b>(328)</b>

## Note 8 Events after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.

## Auditor's Report



To the Annual Shareholders' Meeting of Treasure ASA

### *Independent auditor's report*

#### *Report on the Audit of the Financial Statements*

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##### *Opinion*

We have audited the financial statements of Treasure ASA. The financial statements comprise:

- The financial statements of the parent company Treasure ASA (the Company), which comprise the balance sheet as at 31 December 2018, and income statement, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Treasure ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, and income statement, comprehensive income, consolidated statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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##### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 and the Group as required by laws and regulations, 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.

---

PricewaterhouseCoopers AS,  
T: , org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

## Auditor's Report



Auditors Report - Treasure ASA

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### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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.

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### *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 in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and 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.

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### *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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it

(2)

## Auditor's Report



### Auditors Report - Treasure ASA

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, 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. 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 or the Group'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 and 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 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 and 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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the

(3)

## Auditor's Report



Auditors Report - Treasure ASA

key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Report on Other Legal and Regulatory Requirements*

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#### *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 and in the statement on Corporate Governance 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.

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#### *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, 13 February 2019

**PricewaterhouseCoopers AS**

Thomas Fraurud  
State Authorised Public Accountant

(4)

## Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December 2018 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit for the entity and the group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lysaker, 13 February 2019  
The board of directors of Treasure ASA



Thomas Wilhelmsen  
chair



Marianne Lie



Benedicte Bakke Agerup



Christian Berg



Magnus Sande  
CEO

# Corporate governance

The board's corporate governance report for 2018

Corporate governance comply or explain overview			
Section	Topic	Deviations	Reference in this report
1.	Implementation and reporting on corporate governance	None	On page 31
2.	Business	None	On page 31
3.	Equity and dividends	None	On page 31
4.	Equal treatment of shareholders and transactions with close associates	None	On page 31
5.	Shares and negotiability	None	On page 32
6.	General meetings	The board chair opens and directs the general meeting	On page 32
7.	Nomination committee	None	On page 32
8.	Board of directors: composition and independence	The board elect its own chair	On page 32
9.	The work of the board of directors	The full board acts as the audit committee and remuneration committee	On page 33
10.	Risk management and internal control	None	On page 33
11.	Remuneration of the board of directors	None	On page 33
12.	Remuneration of executive personnel	None	On page 33
13.	Information and communications	None	On page 34
14.	Take-overs	No separate policy developed, but guiding principles described	On page 34
15.	Auditor	None	On page 34

## Reducing risk and creating value over time

This report is, amongst others, based on the requirements covered in the Norwegian Code of Practice for Corporate Governance.

The board believes sound corporate governance reduces risk and contributes to value creation in the best interest for the company's shareholders and other stakeholders.

The board discussed and approved this report 13 February – with all directors present - and assessed the company's corporate governance performance to be of a high standard.

The report will be presented to the annual general meeting 13 March 2019.



Thomas Wilhelmsen  
chair

## 1. Implementation and reporting on corporate governance

Treasure ASA is a public limited company organised under Norwegian law. Listed on the Oslo Stock Exchange, the company is subject to Norwegian securities legislation and stock exchange regulations.

This corporate governance report follows the requirements of the Norwegian Accounting Act (§3-3b) and the recommendations of the Norwegian Code of Practice for Corporate Governance (“Code of Practice”). The Code of Practice includes provisions and guidance that in part elaborate on existing legislation and in part cover areas not addressed by legislation. The structure of the report follows the structure of the Code of Practice.

This report is available on [www.treasureasa.com](http://www.treasureasa.com)

Treasure ASA’s Corporate Governance and this report builds on “comply or explain” principles. Where Treasure ASA does not fully comply with the Code of Practice, the deviations and the selected company solutions are explained.

*Deviations from the Code of Practice: None*

## 2. The business

### Business activities

Treasure ASA’s business activities and the scope of the board’ authority are restricted to the business specified in its Articles of Association.

The group’s fundamental objective is to generate strong total shareholder returns from investments within the maritime and logistics industries, by growing the market value of its shares, through dividends or other distributions to shareholders.

Whereas the primary focus is on managing the shareholding in Hyundai Glovis, the financial capabilities of the group are strong. The board and management will continue to enhance the relationship with the Hyundai Group and other stakeholders as well as identify other attractive investment opportunities to balance the asset base further.

### Strategy and risk

The board has a strategy session on an annual basis, including a review of the ownership strategy for its main investments and an evaluation of the overall risk profile.

A summary of the strategic direction and a risk review is included in the directors’ report for 2018.

### Stakeholder interests

Treasure ASA is in regular dialogue with key stakeholders who engage with issues relating to the maritime industry and corporate activities. With a majority shareholder, Treasure ASA’s various stakeholder interests are included in Wilh. Wilhelmsen Holding ASA’s sustainability report. The report is available on [wilhelmsen.com](http://wilhelmsen.com).

### Sustainable business model

A responsible business model must be sustainable. With a majority shareholder, Treasure ASA’s sustainability targets and achievements are included in Wilh. Wilhelmsen Holding ASA’s sustainability report, based on the requirements stated by the GRI Sustainability Reporting Standards and the ten principles of the UN Global Compact. The report is available on [wilhelmsen.com](http://wilhelmsen.com).

*Deviations from the Code of Practice: None*

## 3. Equity and dividend

### Capital structure

The parent company has a suitable level of equity considering its objectives, strategy and risk profile. The company has no interest-bearing debt.

### Dividends and share buy-backs

The company has historically distributed excess liquidity, mainly originating from the dividends received on the shares held in Hyundai Glovis Co. Ltd., to the shareholders as a combination of cash dividends and share buy-backs. The board is proposing to the annual shareholder meeting scheduled for 13 March 2019 a cash dividend of NOK 0.30 per share.

Share capital increase and share buy-backs  
At the 2018 annual general meeting, the board proposed and was granted an authorization to issue new shares of up to 10% of current share capital. The annual general meeting also authorized the buy-back of own shares of up to 10% of current share capital. Both authorizations are valid until the 2019 annual general meeting and the board proposes to renew both authorizations.

*Deviations from the Code of Practice: None*

## 4. Equal treatment of shareholders and transactions with close associates

### Transactions in own shares

Any transactions Treasure ASA carries out in its own shares are performed in such a way to secure equal treatment of all shareholders.

# The board’s corporate governance report for 2018

The main part of the share buy-back transactions in 2018 was executed by means of a reverse book-building, providing investors with transparent disclosures and a prolonged time-frame to cater for the prevailing low daily trading volume in the shares.

#### **Transactions with close associates**

Any transactions taking place between a principal shareholder or close associates and the company will be conducted on arm's length terms. A similar principle will be used for certain transactions between companies within the group. In the event of material transactions, the company will seek independent valuation. Relevant transactions will be publicly disclosed to seek transparency. Pursuant to the instructions issued by and for the board, directors are required to inform the board if they have interests and/or relations, directly or indirectly, with Treasure ASA or the majority shareholder (including subsidiaries).

*Deviations from the Code of Practice: None*

#### **5. Freely negotiable shares**

The shares with the ticker "TRE" are listed on the Oslo Stock Exchange and are freely negotiable. There are no restrictions on negotiability in the company's Articles of Association.

*Deviations from the Code of Practice: None*

#### **6. General meetings**

Matters to be dealt with and decided by the annual general meeting and procedures related to general meetings are outlined in Treasure ASA's Articles of Association. The general meeting is normally held in March or April each year, unless extraordinary general meetings are required.

Shareholders with Norwegian VPS accounts or known addresses are notified electronically through the Norwegian VPS System no later than 21 days prior to a general meeting.

Proposed resolutions and relevant supporting documents, including the annual report, are published on [treasureasa.com](http://treasureasa.com) no later than 21 days prior to the general meeting. Hard copies of the material are available to shareholders upon request.

Shareholders may attend the general meeting in person, vote in advance or nominate a proxy. Shareholders may vote on each item, including individual candidates nominated for election.

The board chair, auditor and representatives from the company are present at the general meeting, which is organised in a way that facilitates dialogue between shareholders and representatives from the company. The board chair opens and directs the general meeting, as described in the Articles of Association.

The minutes from the general meetings are published on the Oslo Stock Exchange news service and are available on [treasureasa.com](http://treasureasa.com) immediately after the meeting.

*Deviations from the Code of Practice: The board chair opens and directs the general meeting*

#### **7. Nomination committee**

The general meeting appoints the nomination committee and has approved guidelines for the committee's work. The committee nominates candidates to the board and proposes board members' remuneration.

As part of its nomination process, the committee will have contact with major shareholders, the board and the company's executives to ensure the process takes the board's and company's needs into consideration. The nomination committee provides its recommendation to the annual general meeting in form of a report, which among other include justification of individual candidates.

The nomination committee currently consists of Wilhelm Wilhelmsen (chair), Gunnar Frederik Selvaag and Jan Gunnar Hartvig. The committee members are up for election at the annual general meeting in 2020.

Wilhelm Wilhelmsen is related to the board chair. The other nomination committee members are independent of the board and executive employees.

*Deviations from the Code of Practice: None*

#### **8. Board of directors: Composition and independence**

The board comprises four directors and chooses its own chair. During 2018, the board consisted of the following members:

Board member	Elected	Period	Elected to
Thomas Wilhelmsen	April 18	3 years	2021
Marianne Lie	April 18	3 years	2021
Christian Berg	April 18	2 years	2020
Benedicte Bakke Agerup	April 18	2 years	2020
Bente Brevik*	April 16	2 years	2018

\* Resigned from the board at the 2018 annual general meeting

Two of the directors are independent of the majority owner and the executive management. The board does not include executive personnel. The CEO and/or CFO are present at board meetings depending on agenda and issues to be discussed.

*Deviations from the Code of Practice: The board chooses its own chair*

### 9. The work of the board of directors

The board has issued instructions for its own work. The instruction reflects the role, responsibilities, and work procedures of the board as laid down in the Norwegian Public Companies Act. This includes procedures for how to handle any situations where a board member has a personal or financial interest related to a board matter.

During 2018, the board held five meetings, including a strategy meeting.

The board evaluates its performance and expertise on an annual basis. A summary of the evaluation is provided as input to the nomination committee.

According to the Articles of association, the board serves as the company's audit committee. As the board consists of four members, this is regarded the most effective solution, and for the same reason, the board has not deemed it desirable to have separate remuneration or other committees to follow up on specific issues.

### Executive Management

The management team consists of the CEO and CFO. The duties, responsibilities and authority of the CEO follows instructions made by the board and the Norwegian Public Companies Act. Management is based on the majority shareholder's group policy and governance principles.

*Deviations from the Code of Practice: The full board serve as audit committee.*

### 10. Risk management and internal control

The board believes that the company's internal control and risk management are sound and appropriate given the extent and nature of the company's activities. The system contributes to sound control characterised by integrity and ethical attitudes throughout the organisation. It is based on the majority shareholder's governing elements including code of conduct, business standards, whistleblowing system and relevant policies and procedures.

Reference is made to the majority shareholder's disclosures in its annual report.

The board reviews the company's risk matrix regularly and internal control arrangements at least annually.

Financial reporting is covered by the company's policies and statements are prepared monthly. Treasury ASA report to the financial market on a semi-annual basis. The board performs internal financial audit review prior to the release of semi-annual results, and when otherwise deemed required.

*Deviations from the Code of Practice: None*

### 11. Remuneration of the board of directors

Remuneration of directors is determined by the annual general meeting and is not dependent upon the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the company's businesses. No director holds share options in the company.

In 2018, none of the directors performed assignments for the company other than serving on the board of the company.

Remuneration of directors are described in note 1 to the group accounts and note 2 to the parent company accounts.

*Deviations from the Code of Practice: None*

### 12. Remuneration of executive personnel

The group has no employees. Management functions (CEO and CFO) are covered via an extensive and detailed Service Level Agreement with Wilh. Wilhelmsen Holding ASA.

*Deviations from the Code of Practice: None*

### 13. Information and communication

Transparency, accountability and timeliness guides the group's communication activities. The company follow the guidelines set out by the Oslo Stock Exchange.

The market will be informed about the company's activities and financial reports through stock exchange notices, annual and interim reports, press releases and on [treasureasa.com](http://treasureasa.com).

In addition, an update is presented to the financial markets and stakeholders as part of the majority shareholder's quarterly presentations and capital markets day (if applicable).

*Deviations from the Code of Practice: None*

### 14. Takeovers

The Articles of Association entails no provisions related to potential take-over bids and the board has not established a separate policy covering the topic. The board will handle any take-over bids in accordance with Norwegian Law and relevant regulation, but has a responsibility to ensure that, in the event of a take-over bid, business activities are not disrupted unnecessarily. The board also has a responsibility to ensure that shareholders have sufficient information and time to assess any such bid. Should a takeover situation arise, the board would undertake an evaluation of the proposed bid terms and provide a recommendation to the

shareholders as to whether or not to accept the proposal. The recommendation statement would clearly state whether the Board of Directors' evaluation is unanimous and the reasons for any dissent.

*Deviations from the Code of Practice: No separate policy developed, but guiding principles described above.*

### 15. Auditor

The auditor for Treasure ASA is PricewaterhouseCoopers AS.

The key features of the external audit plan are reviewed by the board on an annual basis, with the auditor being present if deemed required. The board has a yearly meeting with the auditor without the presence of management.

The auditor is also invited to attend the meeting where the board deal with the annual accounts (preliminary and/or final annual accounts), and at other occasions where the board so request. As a general principle, the use of the auditor for services other than audit shall be limited.

The fee to external auditors, broken down by statutory work, other assurance services, tax services, and other assistance, is specified in note 6 to the Treasure ASA group accounts and note 2 to the parent company accounts.

*Deviations from the Code of Practice: None*



# Corporate structure

As of 31 December 2018



Unless otherwise stated,  
the company is wholly-owned



[www.treasureasa.com](http://www.treasureasa.com)

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