

# PAN OCEAN CO. LTD.

(Incorporated in the Republic of Korea)

## FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

### PART I INFORMATION REQUIRED FOR ANNUAL ANNOUNCEMENT

1.(a) A statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

For the year ended 31 December 2015 (in thousands of US\$)

	The Group		
	2015	2014	%
	Year Ended	Year Ended	
	31 December	31 December	
Sales	1,605,284	1,563,710	2.7%
Cost of sales	(1,357,471)	(1,313,669)	3.3%
<b>Gross profit</b>	247,813	250,041	-0.9%
Selling and administrative expenses	(51,532)	(46,057)	11.9%
<b>Operating profit</b>	196,281	203,984	-3.8%
Finance income	5,295	4,897	8.1%
Finance costs	(68,159)	(106,009)	-35.7%
Net foreign exchange gain (loss) on financial instruments	(1,858)	(6,834)	-72.8%
Gain(loss) related to investments in associates and joint ventures	(282)	490	N/M
Other non-operating income (loss), net	(95,201)	655,792	N/M
<b>Profit before income tax</b>	36,076	752,320	-95.2%
Income tax expense	728	831	-12.4%
<b>Profit from continuing operation</b>	35,348	751,489	-95.3%
<b>Loss from of discontinuing operations, net of tax</b>	(1,254)	(2,954)	-57.5%
<b>Profit for the year</b>	34,094	748,535	-95.4%
<b>Other Comprehensive income(loss)</b>			
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Net change in unrealized fair value of available-for-sale financial assets, net of tax	762	441	72.8%
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	(36)	294	N/M
Net change of OCI of equity accounted investee, net	308	(199)	N/M
Currency translation differences, net of tax	(7,811)	466	N/M
	(6,777)	1,002	N/M
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit liability	(578)	(984)	-41.3%
<b>Total other comprehensive income(loss) for the year, net of tax</b>	(7,355)	18	N/M
<b>Total comprehensive income for the year</b>	26,739	748,553	-96.4%
<b>Profit (loss) attributable to:</b>			
Owners of the Group	34,085	748,599	-95.4%
Non-controlling interests	9	(64)	N/M
<b>Profit for the year</b>	34,094	748,535	-95.4%
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Group	26,750	748,308	-96.4%
Non-controlling interests	(11)	245	N/M
<b>Total comprehensive income for the year</b>	26,739	748,553	-96.4%

N/M: Not meaningful

**1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (in thousands of US\$).**

	<b>The Group</b>		<b>The Company</b>	
	<b>At 31 Dec 2015</b>	<b>At 31 Dec 2014</b>	<b>At 31 Dec 2015</b>	<b>At 31 Dec 2014</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	237,344	364,546	190,619	330,866
Trade receivables	98,243	70,417	81,826	71,584
Other receivables	20,986	23,465	18,905	22,853
Derivative financial assets	32	172,606	32	172,606
Other financial assets	1,170	2,814	1,070	2,398
Inventories	34,164	53,760	34,162	53,713
Other assets	139,929	131,373	128,414	124,197
Assets held for sale	2,417	64,996	2,649	190
	<b>534,285</b>	<b>883,977</b>	<b>457,677</b>	<b>778,407</b>
<b>Non-current assets</b>				
Trade receivables	71	121	71	121
Other receivables	12,655	16,687	10,571	16,852
Other financial Assets	16,050	19,588	16,050	19,545
Investments in subsidiaries	-	-	48,983	41,287
Investments in associates and joint ventures	1,333	6,465	1,498	6,756
Vessels, property and equipment	3,106,110	3,203,392	3,065,422	3,160,081
Intangible assets	7,261	5,121	4,059	4,611
Deferred tax assets	21	112	-	-
Other assets	3,344	11,126	3,344	11,125
	<b>3,146,845</b>	<b>3,262,612</b>	<b>3,149,998</b>	<b>3,260,378</b>
<b>Total assets</b>	<b>3,681,130</b>	<b>4,146,589</b>	<b>3,607,675</b>	<b>4,038,785</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade payables	72,640	73,642	56,941	76,835
Borrowings	232,982	235,746	225,217	224,712
Derivative financial liabilities	1,772	177,673	1,714	177,673
Other payables	43,725	77,204	40,946	73,474
Provisions	1,837	1,575	1,837	1,576
Income tax liabilities	250	-	-	-
Other liabilities	72,600	90,624	64,012	87,994
Liabilities held for sale	-	61,685	-	-
Total current liabilities	<b>425,806</b>	<b>718,149</b>	<b>390,667</b>	<b>642,264</b>
<b>Non-current liabilities</b>				
Borrowings	1,063,847	1,371,640	1,053,801	1,358,245
Rehabilitation liabilities	-	527,654	-	527,653
Derivative financial liabilities	213	384	213	384
Provisions	107,071	222,498	107,071	228,401
Retirement benefit obligations	9,526	11,927	9,526	11,927
Other payables	60	140	-	798
Total non-current liabilities	<b>1,180,717</b>	<b>2,134,243</b>	<b>1,170,611</b>	<b>2,127,408</b>
<b>Total liabilities</b>	<b>1,606,523</b>	<b>2,852,392</b>	<b>1,561,278</b>	<b>2,769,672</b>
<b>Equity</b>				
Share capital	471,717	192,334	471,717	192,334
Share premium	627,169	142,228	626,615	141,839
Other reserves	1,124,116	1,161,906	1,141,252	1,171,353
Accumulated deficit	(169,941)	(203,448)	(193,187)	(236,413)
Equity attributable to owners of the Group & Company	<b>2,053,061</b>	<b>1,293,020</b>	<b>2,046,397</b>	<b>1,269,113</b>
Non-controlling interest	21,546	1,177	-	-
<b>Total equity</b>	<b>2,074,607</b>	<b>1,294,197</b>	<b>2,046,397</b>	<b>1,269,113</b>
<b>Total equity and liabilities</b>	<b>3,681,130</b>	<b>4,146,589</b>	<b>3,607,675</b>	<b>4,038,785</b>

**1.(b)(ii) Aggregate amount of group's borrowings and debt securities(in thousands of US\$)**

	At 31 Dec. 2015		At 31 Dec. 2014	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less	232,982	-	235,746	-
Amount repayable after one year	1,029,717	34,130	1,371,640	-
	1,262,699	34,130	1,607,386	-

**Details of securities**

The Group's borrowings are secured by way of :

- legal mortgages over certain vessels or building and land of the Company ;
- legal charges over certain bank accounts ; and
- assignment of insurance of certain vessels

**1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (in thousands of US\$).**

	<b>The Group</b>	
	<b>Year ended 31 Dec</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	322,184	443,122
Interest paid	(57,360)	(73,614)
Income tax paid	(1,328)	(2,465)
Net cash provided by operating activities	263,496	367,043
<b>Cash flows from investing activities</b>		
Acquisition of vessels, property and equipment	(48,379)	(39,624)
Acquisition of intangible assets	(850)	(693)
Proceeds from sale of vessels, property and equipment	57	298,538
Proceeds from sale of intangible assets	408	716
Acquisition of financial assets	(5,806)	(2,777)
Proceeds from sale of financial assets	9,719	11,039
Acquisition of subsidiaries share	-	(30)
Proceeds from sale of subsidiaries share	4,635	9,051
Acquisition of investments in associates	(40)	(43)
Proceeds from sale of investments in associates	-	12
Dividend received	1,140	1,466
Loans provided	(6)	-
Loans collected	224	6,132
Change of consolidated subsidiaries	(647)	(6,948)
Interest received	4,941	7,342
Net cash provided by (used in) investing activities	(34,604)	284,181
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	176,310	28,022
Repayment of borrowings	(480,388)	(378,301)
Repayment of rehabilitation liabilities	(787,009)	(123,460)
Change of non-controlling interests	20,997	-
Proceeds from capital increase	715,644	-
Repayment of other liabilities	-	(227)
Proceeds from sale of treasury shares	-	257
Dividends paid	-	(2,098)
Others, net	-	(2,361)
Net cash provided by financing activities	(354,446)	(478,168)
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(125,554)</b>	<b>173,056</b>
Cash and cash equivalents at beginning of the year	364,546	211,792
Effect of exchange rate fluctuations on cash held	(1,648)	(2,473)
Classification of non-current assets held for sale	-	(17,829)
<b>Cash and cash equivalents at end of the year</b>	<b>237,344</b>	<b>364,546</b>

1.(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (in thousands of US\$)

	Attributable to owners of the Group						
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings (accumulated deficit)	Total	Non-controlling Interest
Balance as of January 1, 2014	105,779	-	(257)	1,066,043	(951,063)	220,502	7,787
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	748,599	748,599	(64)
<b>Other comprehensive income (loss)</b>							
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	441	-	441	-
Net change in unrealized fair value of derivative assets and liabilities, net of tax	-	-	-	294	-	294	-
Net change of OCI equity accounted investees, net	-	-	-	(199)	-	(199)	-
Currency translation differences, net of tax	-	-	-	157	-	157	309
Remeasurements of defined benefit liability	-	-	-	-	(984)	(984)	-
<b>Total other comprehensive income (loss)</b>	-	-	-	693	(984)	(291)	309
<b>Total comprehensive income for the period</b>	-	-	-	693	747,615	748,308	245
<b>Transactions with owners of the Group recorded directly in equity</b>							
<b>Contributions by and distributions to owners of the Group</b>							
Debt-equity swap	86,555	141,839	-	95,337	-	323,731	-
Decrease of treasury shares	-	-	257	(167)	-	90	-
Dividend	-	-	-	-	-	-	(2,486)
Acquisition of non-controlling interest	-	389	-	-	-	389	(4,369)
<b>Total transactions with owners of the Group recorded directly in equity</b>	86,555	142,228	257	95,170	-	324,210	(6,855)
<b>Balance as of December 31, 2014</b>	192,334	142,228	-	1,161,906	(203,448)	1,293,020	1,177

	Attributable to equity holders of the Group							
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings (accumulated deficit)	Total	Non-controlling Interest	Total equity
Balance as of January 1, 2015	192,334	142,228	-	1,161,906	(203,448)	1,293,020	1,177	1,294,197
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	34,085	34,085	9	34,094
<b>Other comprehensive income</b>								
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	762	-	762	-	762
Net change in unrealized fair value of derivative assets and liabilities, net of tax	-	-	-	(36)	-	(36)	-	(36)
Net change of OCI equity accounted investees, net	-	-	-	308	-	308	-	308
Currency translation differences, net of tax	-	-	-	(7,791)	-	(7,791)	(20)	(7,811)
Remeasurement of defined benefit liability	-	-	-	-	(578)	(578)	-	(578)
<b>Total other comprehensive income (loss)</b>	-	-	-	(6,757)	(578)	(7,335)	(20)	(7,355)
<b>Total comprehensive income for the year</b>	-	-	-	(6,757)	33,507	26,750	(11)	26,739
<b>Transactions with owners of the Group recorded in equity</b>								
<b>Contributions by and distributions to owners of the Group</b>								
Debt-equity swap	14,442	27,205	-	(72,426)	-	(30,779)	-	(30,779)
Capital increase by issuing new stock	306,334	457,572	-	-	-	763,906	-	763,906
Capital reduction without refund	(41,393)	-	-	41,393	-	-	-	-
Acquisition of non-controlling interest	-	164	-	-	-	164	20,380	20,544
<b>Total transactions with owners of the Group recorded directly in equity.</b>	<b>279,383</b>	<b>484,941</b>	<b>-</b>	<b>(31,033)</b>	<b>-</b>	<b>733,291</b>	<b>20,380</b>	<b>753,671</b>
<b>Balance as of December 31, 2015</b>	<b>471,717</b>	<b>627,169</b>	<b>-</b>	<b>1,124,116</b>	<b>(169,941)</b>	<b>2,053,061</b>	<b>21,546</b>	<b>2,074,607</b>

	Attributable to equity holders of the Company						Total equity
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings (accumulated deficit)	Total	
Balance as of January 1, 2014	105,779	-	-	1,075,281	(1,006,585)	174,475	174,475
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	-	771,156	771,156	771,156
<b>Other comprehensive income(loss)</b>							
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	441	-	441	441
Net change in unrealized fair value of derivative assets and liabilities, net of tax	-	-	-	294	-	294	294
Remeasurement of defined benefit liability	-	-	-	-	(984)	(984)	(984)
<b>Total other comprehensive income</b>	-	-	-	735	(984)	(249)	(249)
<b>Total comprehensive income for the year</b>	-	-	-	735	770,172	770,907	770,907
<b>Transactions with owners of the Company, recorded directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Debt-equity swap	86,555	141,839	-	95,337	-	323,731	323,731
<b>Total contributions by and distributions to owners</b>	<b>86,555</b>	<b>141,839</b>	<b>-</b>	<b>95,337</b>	<b>-</b>	<b>323,731</b>	<b>323,731</b>
<b>Balance as of December 31, 2014</b>	<b>192,334</b>	<b>141,839</b>	<b>-</b>	<b>1,171,353</b>	<b>(236,413)</b>	<b>1,269,113</b>	<b>1,269,113</b>

	Attributable to equity holders of the Company						Total equity
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings (accumulated deficit)	Total	
Balance as of January 1, 2015	192,334	141,839	-	1,171,353	(236,413)	1,269,113	1,269,113
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	-	43,804	43,804	43,804
<b>Other comprehensive income(loss)</b>							
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	762	-	762	762
Net change in unrealized fair value of derivative assets and liabilities, net of tax	-	-	-	171	-	171	171
Currency translation differences, net of tax	-	-	-	-	-	-	-
Remeasurements of defined benefit liabilities liabilities	-	-	-	-	(578)	(578)	(578)
<b>Total other comprehensive income (loss)</b>	-	-	-	933	(578)	355	355
<b>Total comprehensive income for the period</b>	-	-	-	933	43,226	44,159	44,159
<b>Transactions with owners of the Company, recorded directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Capital increase by issuing new stock	306,334	457,572	-	-	-	763,906	763,906
Capital reduction without refund	(41,393)	-	-	41,393	-	-	-
Debt-equity swap	14,442	27,204	-	(72,427)	-	(30,781)	(30,781)
<b>Total contributions by and distributions to owners</b>	<b>279,383</b>	<b>484,776</b>	<b>-</b>	<b>(31,034)</b>	<b>-</b>	<b>733,125</b>	<b>733,125</b>
<b>Balance as of December 31, 2015</b>	<b>471,717</b>	<b>626,615</b>	<b>-</b>	<b>1,141,252</b>	<b>(193,187)</b>	<b>2,046,397</b>	<b>2,046,397</b>



**1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<i>(in shares)</i>	<b>At 31 Dec 2015</b>			<b>At 31 Dec 2014</b>		
	<b>Number of shares issued</b>	<b>Treasury stock</b>	<b>outstanding stock</b>	<b>Number of shares issued</b>	<b>Treasury stock</b>	<b>outstanding stock</b>
Beginning number of shares	214,538,500	-	214,538,500	120,887,541	-	120,887,541
Share consolidation without refund	(45,635,846)	-	(45,635,846)	-	-	-
Debt-equity swap	16,046,309	-	16,046,309	93,650,959	-	93,650,959
Retirement of shares	(523,893)	-	(523,893)	-	-	-
Capital increase with issuing new stock	340,000,000	-	340,000,000	-	-	-
Ending number of shares	524,425,070	-	524,425,070	214,538,500	-	214,538,500

**1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>The Issuer At 31 Dec. 2015</b>	<b>The Issuer At 31 Dec. 2014</b>
Total number of issued shares	524,425,070	214,538,500
Less number of shares held as treasury shares	-	-
Total number of issued shares excluding treasury shares of the issuer	524,425,070	214,538,500

**1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period and as at the end of the current financial period reported on.**

The Group acquired 523,893 shares of its issued shares from shareholders who received excess shares through the debt-equity swap. And acquired shares were disposed in the market subsequently after approval of the revised rehabilitation plan in the meeting of related persons held on 12th June, 2015

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have been audited in accordance with the Korean International Financial Reporting Standards.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The auditors' report is attached.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in financial statements for the year ended 31 December 2015 compared with the audited financial statements for the year ended 31 December 2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

	<u>The Group</u>	<u>The Group</u>
	<u>2015</u>	<u>2014</u>
	<u>12 months</u>	<u>12 months</u>
	<u>ended 31 Dec</u>	<u>ended 31 Dec</u>
Earnings per share for profit attributable to owners of the Company during the period (expressed in US\$ per share)		
(a) Basic	0.09	6.81
(b) Diluted	0.09	6.81
Earnings per share – continuing operations for profit attributable to owners of the Company during the year (expressed in US\$ per share)		
(a) Basic	0.09	6.81
(b) Diluted	0.09	6.81

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the**  
**(a) Current financial period reported on; and**  
**(b) Immediately preceding financial year (in US\$).**

	<u>The Group</u>		<u>The Company</u>	
	At 31 Dec. 2015	At 31 Dec. 2014	At 31 Dec. 2015	At 31 Dec. 2014
Net asset value per ordinary share based on issued share capital of the issuer	3.96	7.54	3.90	7.39

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(1) Income Statement**

**YTD 2015 VS YTD 2014**

The Group achieved sales of US\$ 1,605million, an increase of 2.7% compared to 1,564million in the prior year. And Costs of sales were increased by 3.3% or US\$ 43 million from US\$ 1,314 million as of 2014 to US\$ 1,357 million as of 2015.

For that factors mentioned above, the group recorded operating profit of US\$ 196 million in 2015, as compared to the operating profit of US\$ 204 million in the corresponding period of preceding financial year.

Pursuant to the amended rehabilitation plan, the Group is obligated to repay the rehabilitation liabilities in full without adjusting discounted cash flow which has been reflected throughout the year. Consequently, other non-operating activities, which had recorded a profit of US\$ 656 million in 2014, have turned to a loss of US\$ 95 million in 2015.

**(2) Balance Sheet & Cash Flow**

The Group's total assets decreased US\$ 466 million, from US\$ 4,147 million as of 31 December 2014 to US\$ 3,681 million as of 31 December 2015.

Total liabilities of the Group decreased US\$ 1,245 million, from US\$2,852 million as of 31 December 2014 to US\$ 1,607 million as of 31 December 2015.

Cash flows from operating activities were surplus amounting to US\$ 263 million but Net cash used in investing activities and financing activities for 2015 recorded the deficit amounting to US\$ 389 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As China crude steel production fell 2.3% to 803.8 Mil.Mt from the previous year, the first drop in more than three decades, the rate of China Iron ore import growth has recorded at only 3%, much lower than 15% of previous year. Moreover, China coal import slumped 30% to 204.1 Mil.Mt, hit by a slowdown in domestic demand and environmental problem. While global demand couldn't grow as China demand is contracting, a continuous tonnage delivery kept downward pressure on the market, Yearly average of BDI has recorded at 718, the historical lowest level since 1999.

Market situation is likely to be similar to 2015 due to a chronic oversupply of tonnages and slow demand, so we will see more scrapping of tonnages, which could relieve current supply and demand imbalance and possibly improve the market in the near future.

In the meantime, South America's grain season shall have a strong impact on the market this year as grain export from both Argentina and Brazil is expected to rise due to their weak currency and scrapping of Argentina grain export tax.

**11. If a decision regarding dividend has been made:**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Parties Transaction in 2015, 2014.

## 14. Interested Person Transactions (in thousands of US\$)

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 <sup>1)</sup> (excluding transactions less than \$100,000)	
	Year Ended 31 Dec. 2015	Year Ended 31 Dec. 2014	Year Ended 31 Dec. 2015	Year Ended 31 Dec. 2014
Name of interested person				
PanOcean(America), Inc.	971 <sup>3)</sup>	-	-	-
Sunjin Co., Ltd.	7,799 <sup>4)</sup>	-	-	-
FARMSCO	8,405 <sup>5)</sup>	-	-	-
Jeil Feed Company, Ltd.	8,573 <sup>6)</sup>	-	-	-
Harim Co., Ltd.	873 <sup>7)</sup>	-	-	-
Jeil Holdings Co., Ltd.	3,268 <sup>8)</sup>	-	-	-
Total	29,889	-	-	-

1) There is no shareholders' mandate pursuant to Rule 920 relating to Interested person transactions in 2015, 2014.

2) There is no interested person of the group in 2014.

3) Sales relating to voyage

4) The group's effective interest of transaction relating to sales grain to Sunjin of US\$0.8M and issuance shares of PanOcean(America) of US\$7M.

5) The group's effective interest of transaction relating to sales grain to FARMSCO of US\$1.4M and issuance shares of PanOcean(America) of US\$7M.

6) The group's effective interest of transaction relating to sales grain to Jeil Feed Company of US\$1.6M and issuance shares of PanOcean(America) of US\$7M.

7) The group's effective interest of transaction relating to sales grain to Harim of US\$0.8M.

8) The value of the transaction is the interest payable \$3.3M on the bond to Jeil Holdings in 2015.

The group issued unsecured private placed bond to Jeil holdings KRW 157,950 million and repaid amounting KRW 117,950 million in 2015. As of December 31, 2015 remaining balance of the bond is KRW 40,000 million (US\$ 34,130 thousand).

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

### 15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous.

No dividend 2014-2015

### 16. Reconciliations of K-IFRS with IFRS

There has been a change in listing status of the Group on the Mainboard of the SGX-ST from primary listing to secondary listing since 23 January 2013 and in compliance with statutory reporting purposes, the Group continues to prepare consolidated financial statements in accordance with Korea International Financial Reporting Standards ("K-IFRS").

The Group adopted the amendments pursuant to the amended K-IFRS No. 1001, 'Presentation of Financial Statements' from the annual period ended December 31, 2012. The Group's operating profit (loss) is calculated as revenue less: (1) cost of goods sold, and (2) selling, general and administrative expenses, and is presented separately in the consolidated statement of comprehensive income.

Whereas, IFRS does not explicitly define operating profit (loss), but it is interpreted that all profit (loss) items except ones clearly excluded from operating activities be included in operating profit (loss).

Based on this interpretation, the operating profit (loss) of the Group for 2015 and 2014 shall be adjusted as below:

*(In thousands of US dollars)*

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
Operating profit(loss) In K-IFRS	196,281	203,984
Adjustment :		
Gain on sale of vessels, property and equipment	1,748	28,069
Loss on sale of vessels, property and equipment	(28)	(12,275)
Gain on impairment of vessels, property and equipment	101,597	95,879
Loss on impairment of vessels, property and equipment	(102,824)	(167,383)
Gain (loss) on valuation of derivatives, net	(1,682)	(7,492)
Gain (loss) on derivative transactions, net	(7,186)	6,802
Gain (loss) on foreign currency translations, net	(1,955)	8,521
Gain (loss) on foreign currency transactions, net	11,434	22,055
Expense of provision and marine accident	20,190	6,538
Donations	(82)	(73)
Allowance for (reversal of) doubtful accounts	(4,531)	1,534
Other	3,050	20,012
Operating profit(loss) In IFRS	<u>216,012</u>	<u>206,171</u>