

PAN OCEAN CO. LTD.

(Incorporated in the Republic of Korea)

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

PART I INFORMATION REQUIRED FOR THIRD QUARTER ANNOUNCEMENT

1.(a)(i) 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 third quarter and 9 months ended 30 September 2015 (in thousands of US\$)

	The Group			The Group		
	2015	2014	%	2015	2014	%
	Three months ended 30 Sep	Three months ended 30 Sep		Nine months ended 30 Sep	Nine months ended 30 Sep	
Sales	420,760	377,891	11.3%	1,163,053	1,142,104	1.8%
Cost of sales	(361,405)	(325,182)	11.1%	(979,610)	(961,382)	1.9%
Gross profit	59,355	52,709	12.6%	183,443	180,722	1.5%
Selling and Administrative expenses	(11,104)	(11,895)	-6.6%	(36,033)	(29,036)	24.1%
Operating profit	48,251	40,814	18.2%	147,410	151,686	-2.8%
Finance income	1,228	882	39.2%	4,014	3,806	5.5%
Finance costs	(13,995)	(30,612)	-54.3%	(52,586)	(82,603)	-36.3%
Net foreign exchange gains(losses) on financial instrument	(1,186)	(591)	100.7%	(1,545)	(3,045)	-49.3%
Profit(loss) related to investments in associates and joint ventures	(42)	28	N/M	(85)	(486)	-82.5%
Other non-operating income (loss), net	9,052	182,819	-95.0%	(107,908)	482,636	N/M
Profit(loss) before income tax	43,308	193,340	-77.6%	(10,700)	551,994	N/M
Income tax expense (benefit)	23	10	130.0%	203	155	31.0%
Profit(loss) of continuing operations	43,285	193,330	-77.6%	(10,903)	551,839	N/M
Profit(loss) of discontinued operations, net of tax	0	(4,488)	N/M	(1,254)	(5,358)	-76.6%
Profit for the period	43,285	188,842	-77.1%	(12,157)	546,481	N/M
Other Comprehensive income(loss)						
Items that will be reclassified subsequently to profit or loss:						
Net change in unrealized fair value of available-for-sale financial assets, net of tax	(5)	(14)	-64.3%	586	105	458.1%
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	2	118	-98.3%	64	271	-76.4%
Net change of OCI of equity accounted investee, net	(54)	(210)	-74.3%	292	29	906.9%
Currency translation differences, net of tax	(5,581)	112	N/M	(5,948)	(553)	975.6%
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability (asset)	(4)	(21)	-81.0%	(15)	(65)	-76.9%
Total Other Comprehensive income(loss) for the period for the year	(5,642)	(15)	37513.3%	(5,021)	(213)	2257.3%
Total comprehensive income(loss) for the period	37,642	188,827	-80.1%	(17,178)	546,268	N/M
Profit (loss) attributable to:						
Owners of the Company	43,304	188,863	-77.1%	(12,157)	546,652	N/M
Non-controlling interests	(19)	(21)	-9.5%	0	(171)	N/M
Profit(Loss) for the period	43,284	188,842	-77.1%	(12,157)	546,481	N/M
Total Comprehensive income(loss) attributable to:						
Owners of the Company	37,681	188,981	-80.1%	(17,188)	546,566	N/M
Non-controlling interests	(39)	(154)	-74.7%	10	(298)	N/M
Total comprehensive income(loss) for the period	37,642	188,827	-80.1%	(17,178)	546,268	N/M

N/M : Not meaningful

* The Group reclassifies the line of business or geographical area operation as a discontinued operation when it can be clearly distinguished from the rest of the Group, and the comparative consolidated statement of profit or loss and OCI is restated as if the operation had been discontinued from the start of the comparative periods.

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\$).

	The Group		The Company	
	At 30 Sep 2015	At 31 Dec 2014	At 30 Sep 2015	At 31 Dec 2014
Assets				
Current assets				
Cash and cash equivalents	468,362	364,546	440,360	330,866
Trade receivables	66,069	70,417	65,407	71,584
Other receivables	18,540	23,465	17,485	22,853
Derivative financial assets	57	172,606	57	172,606
Other financial assets	645	2,814	538	2,398
Inventories	37,995	53,760	37,958	53,713
Other assets	153,207	131,373	147,846	124,197
Assets held for sale	2,417	64,996	2,649	190
	747,292	883,977	712,300	778,407
Non-current assets				
Trade receivables	121	121	121	121
Other receivables	15,000	16,687	14,345	16,852
Other financial Assets	13,799	19,588	13,755	19,545
Investments in subsidiaries	0	0	41,287	41,287
Investments in associates and joint ventures	1,514	6,465	1,498	6,756
Vessels, property and equipment	3,127,700	3,203,392	3,086,080	3,160,081
Intangible assets	4,540	5,121	4,095	4,611
Deferred tax assets	51	112	0	0
Other assets	5,662	11,126	5,662	11,124
	3,168,387	3,262,612	3,166,843	3,260,377
Total assets	3,915,679	4,146,589	3,879,143	4,038,784
Liabilities				
Current liabilities				
Borrowings	239,207	235,746	224,274	224,712
Rehabilitation liabilities	2,189	0	2,189	0
Derivative financial liabilities	3,846	177,673	3,846	177,673
Provisions	2,474	1,575	2,474	1,575
Trade payables	49,728	73,642	54,662	76,835
Other payables	41,163	77,204	38,398	73,474
Other liabilities	78,747	90,624	71,458	87,993
Liabilities held for sale	0	61,685	0	0
Total current liabilities	417,354	718,149	397,301	642,262
Non-current liabilities				
Borrowings	1,341,331	1,371,640	1,330,448	1,358,245
Rehabilitation liabilities	0	527,654	0	527,653
Derivative financial liabilities	320	384	320	384
Provisions	181,272	222,498	189,025	228,401
Retirement benefit obligations	9,802	11,927	9,802	11,927
Other payables	100	140	0	799
Total non-current liabilities	1,532,825	2,134,243	1,529,595	2,127,409
Total liabilities	1,950,179	2,852,392	1,926,896	2,769,671
Equity				
Share capital	470,371	192,334	470,371	192,334
Share premium	621,747	142,228	621,733	141,839
Other reserves	1,087,884	1,161,906	1,102,996	1,171,353
Retained earnings (Accumulated deficit)	(215,620)	(203,448)	(242,853)	(236,413)
Equity attributable to owners of the Company	1,964,382	1,293,020	1,952,247	1,269,113
Non-controlling interest	1,118	1,177	0	0
Total Equity	1,965,500	1,294,197	1,952,247	1,269,113
Total equity and liabilities	3,915,679	4,146,589	3,879,143	4,038,784

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

	The Group		The Group	
	At 30 September 2015		At 31 Decemebr 2014	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less	239,207		235,746	
Amount repayable after one year	1,209,100	132,231	1,371,640	
	1,448,307	132,231	1,607,386	

Details of collateral

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\$).

	The Group	
	9 months ended 30 Sep	
	2015	2014
Cash flows from operating activities		
Cash generated from (used in) operations	240,273	297,216
Interest received (paid)	(39,340)	(54,908)
Income tax received (paid)	(1,000)	(3,185)
Net cash generated from (used in) operating activities	199,933	239,123
Cash flows from investing activities		
Acquisition of vessels, property and equipment	(32,244)	(37,776)
Acquisition of intangible assets	-	(488)
Proceeds from sale of property and equipment	50	267,154
Proceeds from sale of intangible assets	450	471
Acquisition of financial assets	(1,065)	(3,704)
Proceeds from financial assets	8,950	9,592
Acquisition of investments in associates & joint ventures	(40)	(30)
Proceeds from sale of subsidiary, net of cash paid	4,054	-
Loans collected (provided)	775	5,719
Dividend received	951	1,173
Interest received	3,015	2,244
Others, net	-	(42)
Net cash used in investing activities	(15,104)	244,313
Cash flows from financing activities		
Proceeds from borrowings	176,310	28,022
Repayment of borrowings	(195,308)	(295,139)
Decrease of rehabilitation liabilities	(776,494)	(90,800)
Repayment of other liabilities	-	(230)
Disposals of treasury shares	-	256
Decrease due to division	-	(2,421)
Paid-in capital	715,644	-
Dividend paid to Company's Shareholders	-	(2,100)
Net cash provided by financing activities	(79,848)	(362,412)
Currency translation differences	(1,165)	(4,604)
Net increase in cash and cash equivalents	103,816	116,420
Cash and cash equivalents at beginning of the year	364,546	211,792
Assets held for sale	-	(21,343)
Cash and cash equivalents at end of the period	468,362	306,869

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 equity holders of the Group							Total equity
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling Interest	
Balance as of January 1, 2014	105,779	-	(257)	1,066,043	(951,063)	220,502	7,787	228,289
Total comprehensive income for the period								
Profit or loss for the period	-	-	-	-	546,652	546,652	(171)	546,481
Other comprehensive income								
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	105	-	105	-	105
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	-	-	-	271	-	271	-	271
Net change of OCI equity accounted investees, net	-	-	-	29	-	29	-	29
Currency translation differences, net of tax	-	-	-	(426)	-	(426)	(127)	(553)
Actuarial gain & loss remeasurement of defined benefit liabilities	-	-	-	-	(65)	(65)	-	(65)
Total other comprehensive income	-	-	-	(21)	(65)	(86)	(127)	(213)
Total comprehensive income (loss) for the period	-	-	-	(21)	546,587	546,566	(298)	546,268
Transactions with equity holder, recorded directly in equity Contributions by and distributions to owners								
Debt to be swapped for equity	37,370	-	-	(56,760)	-	(19,390)	-	(19,390)
Loss on disposal of Treasury Shares	-	-	257	(167)	-	90	-	90
Total contributions by and distributions to owners	37,370	-	257	(56,927)	-	(19,300)	-	(19,300)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Change in non-controlling shares of subsidiary incorporated during the period	-	389	-	-	-	389	(4,369)	(3,980)
Dividends	-	-	-	-	-	-	(2,100)	(2,100)
Total contributions by and distributions to owners	-	389	-	-	-	389	(6,469)	(6,080)
Balance as of September 30, 2014	143,149	389	0	1,009,095	(404,476)	748,157	1,020	749,177

	Attributable to equity holders of the Group							
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	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
Total comprehensive income for the period								
Profit or loss for the period	-	-	-	-	(12,157)	(12,157)	0	(12,157)
Other comprehensive income								
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	586	-	586	-	586
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	-	-	-	64	-	64	-	64
Net change of OCI equity accounted investees, net	-	-	-	292	-	292	-	292
Currency translation differences, net of tax	-	-	-	(5,958)	-	(5,958)	10	(5,948)
Actuarial gain & loss remeasurement of defined benefit liabilities	-	-	-	-	(15)	(15)	-	(15)
Total other comprehensive income	-	-	-	(5,016)	(15)	(5,031)	10	(5,021)
Total comprehensive income (loss) for the period	-	-	-	(5,016)	(12,172)	(17,188)	10	(17,178)
Transactions with equity holder, recorded directly in equity Contributions by and distributions to owners								
Debt-equity swap	13,096	22,323	-	(110,399)	-	(74,980)	-	(74,980)
Paid-in capital increase	306,334	457,572	-	-	-	763,906	-	763,906
Capital Reduction without any refund	(41,393)	-	-	41,393	-	-	-	-
Acquisition of non-controlling interest	-	(376)	-	-	-	(376)	(69)	(445)
Total contributions by and distributions to owners	278,037	479,519	-	(69,006)	-	688,550	(69)	688,481
Balance as of September 30, 2015	470,371	621,747	-	1,087,884	(215,620)	1,964,382	1,118	1,965,500

	Attributable to equity holders of the Company						
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Total equity
Balance as of January 1, 2014	105,779	-	-	1,075,281	(1,006,585)	174,475	174,475
Total comprehensive income for the period							
Profit or loss for the period	-	-	-	-	528,853	528,853	528,853
Other comprehensive income							
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	105	-	105	105
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	-	-	-	270	-	270	270
Actuarial gain & loss remeasurement of defined benefit liabilities	-	-	-	-	(65)	(65)	(65)
Total other comprehensive income	-	-	-	375	(65)	310	310
Total comprehensive income (loss) for the period	-	-	-	375	528,788	529,163	529,163
Transactions with equity holder, recorded directly in equity Contributions by and distributions to owners							
Debt to be swapped for equity	37,370	-	-	(56,760)	-	(19,390)	(19,390)
Total contributions by and distributions to owners	37,370	-	-	(56,760)	-	(19,390)	(19,390)
Balance as of September 30, 2014	143,149	-	-	1,018,896	(477,797)	684,248	684,248

	Attributable to equity holders of the Company						
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Total equity
Balance as of January 1, 2015	192,334	141,839	-	1,171,353	(236,413)	1,269,113	1,269,113
Total comprehensive income for the period							
Profit or loss for the period	-	-	-	-	(6,425)	(6,425)	(6,425)
Other comprehensive income							
Net change in unrealized fair value of available-for-sale financial assets, net of tax	-	-	-	586	-	586	586
Net change in unrealized fair value of derivative financial assets and liabilities, net of tax	-	-	-	64	-	64	64
Currency translation differences, net of tax	-	-	-	-	-	-	-
Actuarial gain & loss remeasurement of defined benefit liabilities	-	-	-	-	(15)	(15)	(15)
Total other comprehensive income	-	-	-	650	(15)	635	635
Total comprehensive income (loss) for the period	-	-	-	650	(6,440)	(5,790)	(5,790)
Transactions with equity holder, recorded directly in equity Contributions by and distributions to owners							
Debt-equity swap	13,096	22,322	-	(110,400)	-	(74,982)	(74,982)
Paid-in capital increase	306,334	457,572	-	-	-	763,906	763,906
Capital Reduction without any refund	(41,393)	-	-	41,393	-	-	-
Total contributions by and distributions to owners	278,037	479,894	-	(69,007)	-	688,924	688,924
Balance as of September 30, 2015	<u>470,371</u>	<u>621,733</u>	<u>-</u>	<u>1,102,996</u>	<u>(242,853)</u>	<u>1,952,247</u>	<u>1,952,247</u>

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.

(in shares)	At 30 Sep 2015			At 31 Dec 2014		
	Number of shares issued	Treasury stock	outstanding stock	Number of shares issued	Treasury stock	outstanding stock
Beginning number of shares	214,538,500	-	214,538,500	120,887,541	-	120,887,541
Debt-equity swap	14,541,174	-	14,541,174	93,650,959	-	93,650,959
Capital Reduction without any refund (*)	(45,635,846)	(523,893)	(46,159,739)	-	-	-
Paid-in capital increase	340,000,000	-	340,000,000	-	-	-
Ending number of shares	523,443,828	(523,893)	522,919,935	214,538,500	-	214,538,500

(*) The total shares with par value per share of KRW 1,000 shall be consolidated by 1.25:1 ratio with the same par value. And 523,893 treasury shares held by the Company was nullified in full.

Acquisition and disposal of treasury shares are described in 1.(d)(iv)

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.

	The Issuer At 30 Sep. 2015	The Issuer At 31 Dec. 2014
Total number of issued shares	522,919,935	214,538,500
Less number of shares held as treasury shares		
Total number of issued shares excluding treasury shares of the issuer	522,919,935	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 not been reviewed.

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

The Group has signed a contract with a consortium comprising Harim Group and JKL on 12th February 2015 with undertaking fund amounts of KRW1,007,950,000,000 (the amount for issuance of shares is KRW850,000,000,000 and for issuance of Company's bond is KRW157,950,000,000). The Revised Rehabilitation Plan was approved by Court on 12th June 2015 which is plan to pay the remaining confirmed rehabilitation claims after partially waived with fund available after paying the fees to the M&A advisor and rehabilitation claims repaid after the due diligence cut-off day (30th June 2014) from undertaking fund and is also about retirement and newly issuance of shares. The Group has finished the procedure of repayment for most of confirmed rehabilitation claims, procedure of retirement and newly issuance of shares, and holding the fund for unconfirmed rehabilitation claims in escrow. And Seoul Central District Court's ruling on completion of rehabilitation procedure on 30th July 2015

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 period ended 30 September 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>Nine months</u>	<u>Nine months</u>
	<u>ended 30 Sep</u>	<u>ended 30 Sep</u>
Earnings per share for profit attributable to owners of the Company during the period (expressed in US\$ per share)		
(a) Basic	(0.03)	3.96
(b) Diluted	(0.03)	3.96
Earnings per share – Continuing Operations for profit attributable to owners of the Company during the year (expressed in US\$ per share)		
(a) Basic	(0.01)	(0.04)
(b) Diluted	(0.01)	(0.04)

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>	
	<u>At 30 Sep.</u>	<u>At 31 Dec.</u>	<u>At 30 Sep.</u>	<u>At 31 Dec.</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net Asset Value per ordinary share based on issued share capital of the issuer	3.76	6.03	3.73	5.92

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

3Q 2015 VS 3Q 2014

The Group achieved sales of US\$ 1,163million, an increase of 1.8% compared to the same period in the prior year. And Costs of sales increased by 1.9% or US\$ 19 million from US\$ 961 million as of 3Q 2014 to US\$ 980 million 3Q 2015.

For that factors mentioned above, the group recorded operating profit of US\$ 147 million in 3Q 2015, as compared to the operating profit of US\$ 152 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\$ 483 million in 3Q 2014, have turned to a loss of US\$ 108 million in 3Q 2015.

(2) Balance Sheet & Cash Flow

The Group's total assets decreased US\$ 231 million, from US\$ 4,147 million as of 31 December 2014 to US\$ 3,916 million as of 30 September 2015.

Total liabilities of the Group decreased US\$ 902 million, from US\$2,852 million as of 31 December 2014 to US\$ 1,950 million as of 30 September 2015.

Cash flows from operating activities were surplus amounting to US\$ 200 million but Net cash used in investing activities and financing activities for 2015 recorded the deficit amounting to US\$ 95 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 12months.

● 2015 3Q Market Review

- While Australian outbound iron ore is steady, the spot volume from Brazil increased which supported firm Cape market.
- Grain commodity price rising and the weakness of Brazilian currency caused Panamax and smaller sector to peak up along with South America's grain season from July.
- However, coming to September, ballasters toward Atlantic increasing with South America's grain demand weakening and USG grain season delayed have resulted the weak market. [Average BDI : 975(Jul) / 1,066(Aug) / 889(Sep)]

● 2015 4Q Outlook

- Steady market is expected with North America's grain season starting and increase of Brazilian iron ore exports.
- Weak demand of coal from India and China, fleet demolition rate slowing down will be the barrier to the 4Q market to rise.

● Chinese Major Dry Bulk Import Trend

- Steel product demands remained in the weak side due to the economy slowdown in China which resulted the accumulated iron ore imports in September to be about the same as last year.
- China continues the limitation on coal imports to protect domestic coal industry and due to the effort to increase the usage of non fossil energy in order to prevent the environmental pollution. The accumulated coal imports in August are decreased by 33.4% YoY.
- Soybean production is expected to decrease in the season 2015~2016 and the accumulated grain imports in August is increased by 13.2% YoY.

11. If a decision regarding dividend has been made: N/A

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.

PART II -ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

No dividend 2013-2014

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

There is not any person occupying a managerial position in The Group or its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of The Group for the financial year ended 31 December 2014.

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 3Q and 2014 3Q shall be adjusted as below:

(In thousands of US dollars)

	The Group	
	2015 3Q	2014 3Q
Operating profit(loss) In K-IFRS	147,410	151,686
Adjustment :		
Gain on sale of vessels, property and equipment	1,316	23,399
Loss on sale of vessels, property and equipment	(28)	(659)
Gain on impairment of vessels, property and equipment	0	0
Loss on impairment of vessels, property and equipment	0	0
Gain (loss) on valuation of derivatives, net	(3,789)	3,043
Gain (loss) on derivative transactions, net	(3,453)	4,154
Gain (loss) on foreign currency translations, net	(2,739)	(4,161)
Gain (loss) on foreign currency transactions, net	10,870	5,091
Expense of provision and marine accident	23,397	74,584
Donations	(82)	(73)
Allowance for (reversal of) doubtful accounts	(4,460)	166
Other	1,045	17,743
Operating profit(loss) In IFRS	169,487	274,973