

PAN OCEAN CO. LTD.

(Incorporated in the Republic of Korea)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020

PART I. INFORMATION REQUIRED FOR ANNUAL 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 period ended 31 December 2020 (in thousands of US\$)

	The Group		
	2020	2019	%
	Year Ended 31 December	Year Ended 31 December	
Sales	2,115,412	2,117,525	-0.1%
Cost of sales	(1,857,941)	(1,870,608)	-0.7%
Gross profit	257,471	246,917	4.3%
Selling and administrative expenses	(66,687)	(66,714)	0.0%
Operating profit	190,784	180,203	5.9%
Finance income	14,535	15,680	-7.3%
Finance costs	(54,749)	(57,566)	-4.9%
Other non-operating income (loss), net	(77,226)	(11,136)	593.5%
Share of profit of associates and joint ventures	4,555	35	12914.3%
Profit before income tax	77,899	127,216	-38.8%
Income tax expense	1,046	462	126.4%
Profit for the period	76,853	126,754	-39.4%
Other Comprehensive income(loss)			
Items that will be subsequently reclassified to profit or loss:			
Changes in the fair value of derivative financial assets	(1,058)	(18)	5777.8%
Share of the other comprehensive income of associates and joint ventures	56	(26)	N/M
Exchanges differences	11,055	(823)	N/M
	10,053	(867)	N/M
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	133	(961)	N/M
Exchanges differences	24	(8)	N/M
Total other comprehensive income(loss) for the period, net of tax	10,210	(1,836)	N/M
Total comprehensive income for the period	87,063	124,918	-30.3%
Profit (loss) attributable to :			
Owners of the Group	78,384	130,317	-39.9%
Non-controlling interests	(1,531)	(3,563)	-57.0%
	76,853	126,754	-39.4%
Total comprehensive income (loss) attributable to :			
Owners of the Group	88,570	128,489	-31.1%
Non-controlling interests	(1,507)	(3,571)	-57.8%
	87,063	124,918	-30.3%

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\$).

	The Group		The Company	
	At 31 Dec 2020	At 31 Dec 2019	At 31 Dec 2020	At 31 Dec 2019
Assets				
Current assets				
Cash and cash equivalents	218,346	220,516	150,792	171,028
Trade receivables	137,082	113,512	118,317	104,610
Contract Assets	50,790	55,684	50,790	55,684
Other receivables	18,500	22,103	17,485	21,010
Derivative financial assets	13,746	420	1,286	420
Other financial assets	23,066	24,811	22,856	24,709
Inventories	52,592	56,419	52,592	56,415
Other assets	94,815	93,450	88,650	83,293
	608,937	586,915	502,768	517,169
Non-current assets				
Other receivables	21,863	10,315	20,098	9,523
Other financial Assets	8,963	10,022	8,963	10,022
Investments in subsidiaries	-	-	93,737	39,261
Investments in associates	74,130	2,019	1,252	1,252
Vessels, property and equipment	3,559,786	3,227,672	3,541,819	3,211,552
Intangible assets	6,102	6,728	4,541	4,343
Other assets	2,689	3,433	2,131	2,756
	3,673,533	3,260,189	3,672,541	3,278,709
Total assets	4,282,470	3,847,104	4,175,309	3,795,878
Liabilities				
Current liabilities				
Trade payables	129,506	103,805	106,698	92,113
Borrowings	218,328	371,010	218,328	371,010
Derivative financial liabilities	9,489	61	284	61
Other payables	58,629	46,258	52,364	41,790
Provisions	4,193	3,170	4,193	3,170
Other liabilities	12,847	13,255	11,437	9,492
Contract liabilities	107,381	62,068	107,381	62,068
Lease liabilities	15,051	12,835	13,605	11,684
	555,424	612,462	514,290	591,388
Non-current liabilities				
Borrowings	1,097,066	684,076	1,062,066	684,076
Derivative financial liabilities	1,077	19	1,077	19
Provisions	20,970	22,638	20,560	22,110
Retirement benefit obligations	126	2,308	-	2,070
Lease liabilities	28,164	21,256	24,724	19,632
	1,147,403	730,297	1,108,427	727,907
Total liabilities	1,702,827	1,342,759	1,622,717	1,319,295
Equity				
Share capital	480,756	480,755	480,756	480,755
Capital surplus	652,814	652,814	651,483	651,483
Other reserves	1,059,453	1,051,352	1,067,309	1,068,368
Accumulated deficit	386,620	308,103	353,044	275,977
Equity attributable to owners of the Group & Company	2,579,643	2,493,024	2,552,592	2,476,583
Non-controlling interest	-	11,321	-	-
Total equity	2,579,643	2,504,345	2,552,592	2,476,583
Total equity and liabilities	4,282,470	3,847,104	4,175,309	3,795,878

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

	At 31 Dec 2020		At 31 Dec 2019	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less	168,482	49,846	343,736	27,274
Amount repayable after one year	927,463	169,603	558,339	125,737
	<u>1,095,945</u>	<u>219,449</u>	<u>902,075</u>	<u>153,011</u>

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	
	Year ended 31 Dec.	
	2020	2019
Cash flows from operating activities		
Cash generated from operations	438,910	403,766
Interest paid	(39,406)	(56,129)
Income tax paid	(941)	(325)
Net cash inflow(outflow) by operating activities	398,563	347,312
Cash flows from investing activities		
Acquisition of vessels, property and equipment	(245,274)	(186,196)
Acquisition of intangible assets	(852)	245
Proceeds from sale of vessels, property and equipment	15,774	(301)
Proceeds from sale of intangible assets	317	1,284
Acquisition of other financial assets	(22,679)	(28,465)
Proceeds from sale of other financial assets	26,019	25,304
Acquisition of investments in associates	(67,500)	-
Proceeds from government grants	5,599	-
Dividend received	59	299
Increase in other receivables	(42,816)	(1,309)
Decrease in other receivables	43,642	2,387
Interest received	2,337	3,994
Net cash inflow(outflow) from investing activities	(285,374)	(182,758)
Cash flows from financing activities		
Proceeds from borrowings	267,564	601,401
Repayment of borrowings	(354,104)	(716,643)
Repayments of lease liabilities	(15,631)	(15,195)
Payment of financial prepayments	(4,141)	-
Changes in other controlling interests	(11,428)	-
Net cash inflow(outflow) financing activities	(117,740)	(130,437)
Currency translation differences (cash and cash equivalents)	2,551	(269)
Change of consolidation	(170)	-
Net increase(decrease) in cash and cash equivalents	(2,170)	33,848
Cash and cash equivalents at beginning of the year	220,516	186,668
Cash and cash equivalents at end of the period	218,346	220,516

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				Non-controlling Interest	Total equity
	Share capital	Capital surplus	Other reserves	Retained Earning		
Balance as of January 1, 2019	480,755	652,814	1,052,219	178,747	14,892	2,379,427
Comprehensive income (loss)						
Profit for the Period	-	-	-	130,317	(3,563)	126,754
Items that will be reclassified subsequently to profit or loss:						
Changes in the fair value of available-for-sale financial assets	-	-	-	-	-	-
Changes in the fair value of derivative financial assets and liabilities	-	-	(18)	-	-	(18)
Share of the other comprehensive income of associates and joint venture	-	-	(26)	-	-	(26)
Exchanges differences	-	-	(823)	-	-	(823)
Items that will not be reclassified to profit or loss:						
Remeasurements of defined benefit liability	-	-	-	(961)	-	(961)
Exchanges differences	-	-	-	-	(8)	(8)
Balance at December 31, 2019	480,755	652,814	1,051,352	308,103	11,321	2,504,345
Balance as of January 1, 2020	480,755	652,814	1,051,352	308,103	11,321	2,504,345
Comprehensive income (loss)						
Profit(loss) for the period	-	-	-	78,384	(1,531)	76,853
Items that will be reclassified subsequently to profit or loss:						
Changes in the fair value of derivative financial assets and liabilities	-	-	(1,058)	-	-	(1,058)
Share of the other comprehensive income of associates and joint ventures	-	-	56	-	-	56
Exchanges differences	-	-	11,055	-	-	11,055
Items that will not be reclassified to profit or loss:						
Remeasurements of defined benefit liability	-	-	-	133	-	133
Exchanges differences	-	-	-	-	24	24
Transactions with owners recorded directly in equity:						
Changes in equity due to debt to equity swap	1	-	-	-	-	1
Additional acquisition of the non-controlling interest without a change in control	-	-	(1,952)	-	9,814	(11,766)
Balance at December 31, 2020	480,756	652,814	1,059,453	386,620	-	2,579,643

	Attributable to owners of the Company				
	Share capital	Capital surplus	Other reserves	Retained Earning	Total equity
Balance as of January 1, 2019	480,755	651,483	1,068,386	144,909	2,345,533
Comprehensive income (loss)					
Profit for the Period	-	-	-	131,889	131,889
Items that will be reclassified subsequently to profit or loss:					
Changes in the fair value of available-for-sale financial assets	-	-	-	-	-
Changes in the fair value of derivative financial assets and liabilities	-	-	(18)	-	(18)
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit liability	-	-	-	(821)	(821)
Balance at December 31, 2019	<u>480,755</u>	<u>651,483</u>	<u>1,068,368</u>	<u>275,977</u>	<u>2,476,583</u>
Balance as of January 1, 2020	480,755	651,483	1,068,368	275,977	2,476,583
Comprehensive income (loss)					
Profit for the Period	-	-	-	77,028	77,028
Items that will be reclassified subsequently to profit or loss:					
Changes in the fair value of derivative financial assets and liabilities	-	-	(1,059)	-	(1,059)
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit liability	-	-	-	39	39
Transactions with owners recorded directly in equity:					
Changes in equity due to debt-equity swap	1	-	-	-	1
Balance at December 31, 2020	<u>480,756</u>	<u>651,483</u>	<u>1,067,309</u>	<u>353,044</u>	<u>2,552,592</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.

<i>(in shares)</i>	<u>At 31 Dec 2020</u>		<u>At 31 Dec 2019</u>	
	<u>Number of shares issued</u>	<u>outstanding stock</u>	<u>Number of shares issued</u>	<u>outstanding stock</u>
Beginning number of shares	534,569,207	534,569,207	534,569,207	534,569,207
Debt-equity swap	305	305	-	-
Ending number of shares	534,569,512	534,569,512	534,569,207	534,569,207

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.

	<u>The Issuer</u> <u>At 31 Dec 2020</u>	<u>The Issuer</u> <u>At 31 Dec 2019</u>
Total number of issued shares	534,569,512	534,569,207
Less number of shares held as treasury shares	-	-
Total number of issued shares excluding treasury shares of the issuer	534,569,512	534,569,207

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.

Not applicable.

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 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).

Not applicable.

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 31 December 2020 compared with the audited financial statements for the year ended 31 December 2019 except as stated item 5 as below.

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.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2020.

- Amendments to Korean IFRS 1001 Presentation of Financial Statements and Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors – Definition of Material

The amendments clarify the definition of material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments do not have a significant impact on the financial statements.

- Amendments to Korean IFRS 1103 Business Combination – Definition of a Business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs and the definition of output excludes the returns in the form of lower costs and other economic benefits. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, an entity may elect to apply an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments do not have a significant impact on the financial statements.

- Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1039 Financial Instruments: Recognition and Measurement and Korean IFRS 1107 Financial Instruments: Disclosure – Interest Rate Benchmark Reform

The amendments allow to apply the exceptions in relation the application of hedge accounting while uncertainties arising from interest rate benchmark reform exist. The exceptions require the Group assumes that the interest rate benchmark on which the hedged items and the hedging instruments are based on is not altered as a result of interest rate benchmark reform, when determining whether the

expected cash flows are highly probable, whether an economic relationship between the hedged item and the hedging instrument exists, and when assessing the hedging relationship is highly effective.

The applying the exceptions will be ended when the uncertainties regarding the timing and amount of cash flows on the basis of interest benchmark reform are no longer exist or the risk hedging relationship ceases. The significant interest benchmark is the LIBOR.

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>2020</u>	<u>2019</u>
	12 months	12 months
	ended 31 Dec	ended 31 Dec
Earnings per share for profit attributable to owners of the Company during the period (expressed in US\$ per share)		
(a) Basic	0.15	0.24
(b) Diluted	0.15	0.24

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.	At 31 Dec.	At 31 Dec.	At 31 Dec.
	2020	2019	2020	2019
Net asset value per ordinary share based on issued share capital of the issuer	4.83	4.68	4.78	4.63

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

FY 2020 VS FY 2019

The group achieved sales of US\$ 2,115 million, decrease of 0.1% compared to the same period in the prior year. And Costs of sales was decreased from US\$ 1,871 million as of 2019 to US\$ 1,858 million as of 2020.

The group recorded operating profit of US\$ 191 million in 2020, as compared to the operating profit of US\$ 180 million in the corresponding period of preceding financial year.

For the non-operating profit, the group recorded finance cost of US\$55 million in 2020.

Due to the decrease in shipping industry market trends, the Company has performed the impairment test for 12 vessels in bulker segment, of which 10 vessels recognized the impairment loss of \$ 59 million. The recoverable amount of the vessels is calculated on a basis of the value in use and impairment losses are recognized as other non-operating expenses.

Additionally, 1 vessel held for sale recognized impairment loss amounting to \$6 million on the basis of net fair value and the vessel was sold during the period ended December 31, 2020.

Consequently, Profit for the year, which had recorded US\$78 million in 2020, as compared US\$ 127 million in 2019.

(2) Balance Sheet & Cash Flow

The group's total assets increased US\$ 435 million, from US\$ 3,847 million as of 31 December 2019 to US\$ 4,282 million as of 31 December 2020.

Total liabilities of the Group increased US\$ 360 million, from US\$ 1,343 million as of 31 December 2019 to US\$ 1,703 million as of 31 December 2020.

Cash flows from operating activities were surplus amounting to US\$ 399 million but Net cash used in investing activities and financing activities for 2020 recorded the deficit amounting to US\$ 403 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.

In 2020, the average Baltic Dry Index (BDI) recorded 1,066 points, 21% lower than 2019. Dry Bulk market was so fluctuated between 393 in the 2nd quarter and 2,097 in the 4th quarter throughout the year. The average BDI during the first half of last year recorded 685 points due to the Covid-19 lockdown and the supply disruption of iron ore from Brazil, Australia. In the latter half of the year, the average BDI recorded 1,444 points owing to positive factors such as resumption of iron ore export from Brazil and the recovery of the economic activity, and China's economic stimuli based on infrastructure investment.

As for the demand, the total dry bulk seaborne trade volume in 2020 decreased by 1.9% to 5.14 billion tons, even though the seaborne iron ore trade volume increased by 3.2% to 1.50 billion tons mainly because of China's economic stimuli based on infrastructure investment. The seaborne coal trade volume decreased by 9.5% and recorded 1.16 billion tons because of the electricity demand destruction due to many country's Covid-19 related lockdowns. The seaborne grain trade volume increased by 7.8% thanks to China's firm demand based on the China-US phase one trade deal, and the rising demand of animal feed with the restocking of the country's pig herd following recovery from African Swine Fever. The seaborne minor cargo trade volume decreased by 3.2% due to the Covid-19 related recession of the world economy

On the supply side, the newbuilding deliveries of dry bulk vessels in 2020 recorded 48.8 million DWT, about 17% up from the previous year(41.6 million DWT). That is mainly because of the increase in new newbuilding orders during 2017-2018. The scrapping volume of the bulkers in 2020 was 15.4 million DWT, about 96% up from the previous year(7.9 million DWT) because of the influence of bearish market mood and reinforcement of IMO regulations. Consequently, the total fleet growth rate recorded 3.7%, decreased by 0.2%p compared to those of the previous year.

OECD forecasts World GDP growth in 2021 to be at 4.2%, increased by 8.4%p compared to those of 2020. In this regard, the overall global commodity demand is expected to remain steady and firm because of positive factors such as improved management of the pandemic and the many country's economic stimuli even though there are still some negative factors, including the worry about Covid-19. In this regards, the total dry bulk seaborne trade volume in 2021 is expected to increase by 3.7% to 5.33 billion tons. The iron ore demand is expected to increase by 2.7% based on the infrastructure investment, and the coal demand is expected to increase by 4.8% thanks to the recovery of electricity demand. The grain demand is expected by 1.8% owing to China's growing demand of animal feed. Meanwhile, the newbuilding deliveries are expected to be decreased by 30% to 34 million DWT because of the drop in new building orders after 2019, and the scrapping volume is expected about 10 million DWT. Consequently, the total fleet growth rate of 2021 is expected to be 2.6%, decreased by 1.1%p compared to those of 2020. In summary, the dry bulk market in 2021 is expected to be improved owing to increasing demand and the Covid-19 related high fleet inefficiencies, even though there's worry about China-Australia trade tensions.

11. Dividend

	The Company	
	2020	2019
Name of dividend	Final	-
Dividend type	Cash	-
Dividend rate	S\$ 0.059 per ordinary share before tax	-
Books closure date	31 December 2020	31 December 2019
Date payable /Paid	28 April 2021	-
Tax rate		

(a) Tax rate : We will deduct Korean withholding tax from dividends paid to you at a rate of 22.0% (including resident surtax). If you are a qualified resident in a country that has entered into a tax treaty with Korea, you may qualify for a reduced rate of Korean withholding tax. Korea has entered into a number of income tax treaties with other countries, including Singapore, which reduce or exempt Korean withholding tax on dividend income.

(b) Total Dividends

Total dividends on ordinary shares for the 2020 financial year were S\$31,539,601. No dividend in respect of the 2019 financial year has been declared or proposed by the Board.

(c) Dividend policy

The company will provide cash dividend to shareholders after allocating financial results in a reasonable and balanced way to secure investment resources maintaining the soundness of financial structure.

12. 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.

Name of interested person	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 (excluding transactions less than \$100,000)	
	12 months	12 months	12 months	12 months
	Ended 31 Dec. 2020.	Ended 31 Dec. 2019.	Ended 31 Dec. 2020.	Ended 31 Dec. 2019.
PanOcean(America), Inc.	43,620 ³⁾	40,846 ³⁾	15,081 ¹⁾	26,299 ¹⁾
Sunjin Co., Ltd.	3,809 ⁶⁾	-	15,027 ²⁾	4,040 ²⁾
Farmsco	3,809 ⁶⁾	-	24,347 ²⁾	9,159 ²⁾
Jeil Feed Company, Ltd.	3,809 ⁶⁾	-	17,799 ²⁾	7,421 ²⁾
Harim Co., Ltd.	-	-	15,946 ²⁾	3,872 ²⁾
Orpum Co., Ltd.	-	-	5,045 ²⁾	636 ²⁾
Harim Holdings Co.,Ltd.	1,688 ⁴⁾	1,532 ⁴⁾	-	-
Harim USA,Ltd.	7,600 ⁵⁾	341 ⁵⁾	-	-
Total	64,335	42,719	93,245	51,427

1) Sales relating to voyage and Agent commission under shareholders' mandate pursuant to Rule 920

2) The group's effective interest of transaction relating to sales grain to interested person (Sunjin, Farmsco, Jeil Feed Company, Harim, Orpum)

3) Provided performance guarantee, finance guarantee for the period and commission fee

4) The group's shared expenses (Harim Holdings Co., Ltd.), etc.

5) The group's effective interest of transaction relating to lending of money to interested person (Harim USA, Ltd.) and relevant interest income

6) Acquisition of non-controlling interests relating to PanOcean(America), Inc.

PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. 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 2020 and 2019 shall be adjusted as below:

(In thousands of US dollars)

	The Group	
	2020	2019
Operating profit(loss) In K-IFRS	190,784	180,203
Adjustment :		
Gain on sale of vessels, property and equipment	11	234
Loss on sale of vessels, property and equipment	(6,186)	(905)
Gain on impairment of vessels, property and equipment	0	0
Loss on impairment of vessels, property and equipment	(64,818)	(4,244)
Gain on sale of Intangible assets	0	0
Loss on sale of Intangible assets	(25)	(56)
Gain (loss) on valuation of derivatives, net	4,257	345
Gain (loss) on derivative transactions, net	(2,945)	1,332
Gain (loss) on foreign currency translations, net	1,692	(948)
Gain (loss) on foreign currency transactions, net	(10,080)	(962)
Expense of provision and marine accident	(4,571)	(3,470)
Donations	(907)	(990)
Other	6,636	(1,472)
Operating profit(loss) In IFRS	113,848	169,067