

PAN OCEAN CO., LTD.

DECISION ON CAPITAL REDUCTION

* Company: Pan Ocean Co., Ltd

* Legal Administrator: You Sik Kim

* Location: STX Namsan Tower, 631, Namdaemunno 5-ga, Jung-gu, Seoul, Korea
Tel) 82-2-316-5114
Website) <http://www.panocean.com>

* Person in charge: Position) Executive Director Name) Bo Yeon Kim
Tel) 82-2-316-5114

1. Number and Type of the Stock To Be Reduced	Common Stock (shares)	46,160,955	
	Preferred Stock (shares)	-	
2. Par Value per Share (KRW)		1,000	
3. Capital before and after Capital Reduction		Before Reduction (KRW)	After Reduction (KRW)
		228,560,885,000	182,399,930,000
4. Number of Stock Issued before and after Capital Reduction		Before Reduction (shares)	After reduction (shares)
	Common Stock (shares)	228,560,885	182,399,930
	Preferred Stock (shares)	-	-
5. Ratio of Capital Reduction	Common Stock (%)	20.00	
	Preferred Stock (%)	-	

6. Record Date of Capital Reduction		18 June 2015
7. Method of Capital Reduction		Share Consolidation
8. Reason for Capital Reduction		Improvement of Financial Structure
9. Schedule of Capital Reduction	Scheduled Date of Shareholders' General Meeting	-
	Book Closure Period	From 19 June 2015 To a day before Delivery Date of New Shares Certificate
	Existing Share Certificate Submission Period	From 15 June 2015 To 18 June 2015
	Trading Halt Period	From 17 June 2015 To a day before Listing Date
	Delivery Date of New Share Certificate	24 July 2015
	Listing Date	27 July 2015
	10. Period for Filing Objection by Creditors	From
To		-
11. Place for Submission of Existing Share Certificates and Delivery of New Shares		Korea Securities Depository(KRX) / Boardroom(SGX)
12. Date of Board Resolution(Decision Date)		12 June 2015
- Attendance of Independent Directors	Present (No.)	-
	Absent (No.)	-
- Attendance of Auditors		-
13. Subject to Reporting to Fair Trade Commission		Not Applicable

14. Reference

- As the Company received the ruling from Seoul Central District Court (“the Court”) on the approval

of the revised rehabilitation plan on 12th June 2015 in accordance with 'DEBTOR REHABILITATION AND BANKRUPTCY ACT', the board of directors and the general meeting of shareholders substitute by the Court ruling.

- The decision date above is the date of the revised rehabilitation plan approval.
- The change of schedule of capital reduction is available according to the Court's decision and the work procedures and if there is any change it will be disclosed at the time of change.
- 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 the treasury shares of 523,893 shares held by the Company shall be nullified in full.
- The Company will carry out capital reduction (effective date of 19 June 2015), issuance of new shares for 3rd party (effective date of 20 June 2015) consecutively.
- The delivery date is the date to deliver the shares followed by the completion of capital reduction and issuance of new shares for 3rd party consecutively.
- The listing date is the date to list shares upon the whole completion of capital reduction and issuance of new shares for 3rd party.
- The fractional shares accrued upon the capital reduction shall be nullified, and there can be changes in share numbers and capital due to the difference incurred from the fractional shares.

BY ORDER OF THE COMPANY

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 15 June 2015