

PAN OCEAN CO., LTD.

MANDATORY DISCLOSURE ON CURRENT STATUS OF ENTERPRISE GROUP

- * Company: Pan Ocean Co., Ltd.
* Chief Executive Officer : Choo, Sung Yob & Kim, Hong Kuk
* Location: Tower9, 7, Jongro 5 gil, Jongno-gu, Seoul, Korea
Tel) 82-2-316-5114
Website) <http://www.panocean.com>

1) General information

Establishment date	Combination date into HARIM group	No. of employee	Listing or not	Closing date of the fiscal year	Type of business	Main business
1966.05.28	2015.06.20	339	Listing (KRX & SGX)	2017.12.31	Marine transportation	Marine transportation
					Real Estate Lease	Real Estate Lease
					Other Service Industry	Shipping Agent

2) Financial Status

(As of 31st Dec, 2017)

(Unit : KRW mil.)

Assets				Liabilities				Equity		Debt ratio
Current assets (a)	Cash & cash equivalents	Non-current assets (b)	Total assets (a+b)	Current liabilities (c)	Non-current liabilities (d)	Total liabilities (c+d)	Borrowings	Capital stocks	Total equity	
514,559	148,271	3,306,398	3,820,957	509,960	937,781	1,447,741	1,222,124	534,538	2,373,216	61.00%

3) Income Statement

(As of 31st Dec, 2017)

(Unit : KRW mil.)

Sales*	Operating profit	Profit
2,013,013	201,675	145,713

* Sales(2,013,013) = domestic sales(675,094) + overseas sales(1,337,919)

4) Overseas subsidiary companies

(As of 1st May, 2018)

Name	Business	Shareholding ratio of enterprise group	The registered country of incorporation	Closing date of the fiscal year	The largest shareholder	Shareholding ratio of the largest shareholder
Pan Ocean Singapore Bulk Carrier Pte. Ltd.	Marine transportation	100.00	Singapore	2017.12.31	Pan Ocean Co., Ltd.	100.00
Pan Ocean (China) Co., Ltd.		100.00	China	2017.12.31	Pan Ocean Co., Ltd.	100.00
Pan Ocean Japan Corporation		100.00	Japan	2017.12.31	Pan Ocean Co., Ltd.	100.00
STX Pan Ocean (U.K.) Co., Ltd.		100.00	U.K.	2017.12.31	Pan Ocean Co., Ltd.	100.00
Pan Ocean Brasil Apoio Maritimo Ltda.		100.00	Brasil	2017.12.31	Pan Ocean Co., Ltd.	100.00
STX Pan Ocean (HongKong) Co., Ltd.		100.00	HongKong	2017.12.31	Pan Ocean Co., Ltd.	100.00
Pan Ocean (America) Inc.	Grain trading business	100.00	U.S.A	2017.12.31	Pan Ocean Co., Ltd.	34.13
Pan Ocean International Logistics Co., Ltd.	Forwarding	100.00	China	2017.12.31	Pan Ocean (China) Co., Ltd.	100.00
Pan Ocean-Sinotrans Logistics Co., Ltd.		60.00	China	2017.12.31	Pan Ocean (China) Co., Ltd.	60.00

Name	Business	Shareholding ratio of enterprise group	The registered country of incorporation	Closing date of the fiscal year	The largest shareholder	Shareholding ratio of the largest shareholder
Wide Sea Logistics Co., Ltd.	Container yard business	100.00	China	2017.12.31	Pan Ocean (China) Co., Ltd.	75.00
Pan Logix Co., Ltd.	Forwarding	100.00	Japan	2017.12.31	Pan Ocean Japan Corporation	100.00
Pan Ocean Container (Japan) Co., Ltd.	Shipping Agent	100.00	Japan	2017.12.31	Pan Ocean Japan Corporation	100.00
CSTX AGRICOLA PARTICIPACOES LTDA.	Grain trading business	50.00	Brasil	2017.12.31	Pan Ocean Brasil Apoio Maritimo Ltda.	50.00

5) The status of directors

(As of 1st May, 2018)

Name	Position	Appointed date	Registered date	Relationship with head of the group	Additional Position	Key Experiences	Status of retirement from subsidiary companies
Kim, Hong Kuk	C.E.O	2015.07.18	2015.07.29	Head of the group	Harim Holdings Co., Ltd.	C.E.O of Harim Co., Ltd., C.E.O of Jeil Holdings Co.,Ltd.	C.E.O of Jeil Holdings Co.,Ltd.
					Jeil Feed Company , Ltd.		
					Sunjin CO., LTD.		
					NS Shopping Co., Ltd		
					Farmsco Co., Ltd		
					Harim Co., Ltd.		
					Allen Biotech, LLC		
					Allen Harim Farms, LLC		
					Allen Harim Foods, LLC		
					Harim Millsboro, LLC		
Choo, Sung Yob	C.E.O	2015.07.18	2015.07.29	-	-	C.E.O of STX Corporation	-
Cheon, Se Gi	Executive Director	2015.07.18	2015.07.29	-	HarimFoods Co., Ltd.	Director of Farmsco Co., Ltd	-
					Harim Ms Co., Ltd.		
					HBC Co., Ltd.		
					Agricultural Corporation, inc., Iksan		
					Daesung Livestock Farming Associative Corporation		
					Mexican Co., Ltd.		
					Eco Capital Co.,LTD.		
					Orpum Co.,Ltd.		
					Cham trading co., ltd.		
					HARIM PET FOOD COMPANY, LTD.		
					Allen Biotech, LLC		
					Allen Harim Farms, LLC		
					Allen Harim Foods, LLC		
					Harim USA, LTD		
					HarimMillsboro, LLC		
Choi, Seung Hwan	Independent Director	2015.07.18	2015.07.29	-	-	C.O.O of KPMG Samjong Accounting Corp.	-
Oh, Keum Seok	Independent Director	2018.03.23	2018.04.03	-	-	Lawyer of BAE, KIM & LEE LLC	-
Chang, Yoo Whan	Independent Director	2015.07.18	2015.07.29	-	-	C.E.O of KB Credit Information	-
Christopher Anand Daniel	Independent Director	2015.07.18	2015.07.29	-	-	Lawyer of Advocatus Law LLP	-

6) Operating State of the Board of Directors

(From 1st May, 2017 to 1st May, 2018)

The member of the Board of Directors	Opening date	The details of the resolution	The result of the resolution
Kim Hong Kuk, Choo Sung Yob, Cheon Se Gi, Choi Seung Hwan, Shin Jeong Shik, Chang Yoo Whan, Christopher Anand Daniel	2017.08.31	1. To approve for long term Contract of affreightment 2. To approve for performance guarantee fee agreement	The resolution was approved in favor of all the attendees, including two independent directors.
	2017.09.27	1. To approve the paid-in capital increase on Q3 2017 2. To approve Delegation of Authority for Ship Financing on 5 new 62,000dwt Vessels 3. To approve the take-over property from related persons and conversion of investments to related persons 4. To approve an adjustment of approved internal transaction of FY 2017	The resolution was approved in favor of all the attendees, including four independent directors.
	2017.11.10	To Approve Issuance of the 18th Unsecured Private Placement Bond	The resolution was approved in favor of all the attendees, including two independent directors.
	2017.11.30	To approve for making shipbuilding contracts	The resolution was approved in favor of all the attendees, including three independent directors.
	2017.12.21	1. To approve internal transactions of FY 2018 2. To approve submission of a bid for the acquisition of shares	The resolution was approved in favor of all the attendees, including four independent directors.
	2017.12.28	To approve the paid-in capital increase on Q4 2017	The resolution was approved in favor of all the attendees, including three independent directors.
	2018.02.08	1. To approve Business Plan for 2018 2. To approve the date & venue and Agenda for Annual General Meeting for 2018 3. To approve financial statements of 2017 4. To approve ceiling on remuneration for directors of year 2018 5. To approve the renewal of the IPT mandate 6. To approve the 52nd Annual Report 7. To approve the standard of performance evaluation & incentive payment of year 2018 for CEO 8. To approve remuneration plan of the executive officers for year 2018	The resolution was approved in favor of all the attendees, including four independent directors.
Kim Hong Kuk, Choo Sung Yob, Cheon Se Gi, Choi Seung Hwan, Oh Keum Seok, Chang Yoo Whan, Christopher Anand Daniel	2018.03.06	1. To approve the change of agenda of annual general meeting for 2018 2. To approve appointment of Independent Directors & Audit Committee Members 3. To approve donation	The resolution was approved in favor of all the attendees, including three independent directors.
	2018.03.23	1. To approve the paid-in capital increase on Q1 2018 2. To approve the appointment of members of committees	The resolution was approved in favor of all the attendees, including three independent directors.

7) Operating State of committee within the Board of Directors

(From 1st May, 2017 to 1st May, 2018)

Name of the Committee	The member of the Committee	Opening date	The details of the resolution	The result of the resolution
Audit committee	Choi Seung Hwan, Shin Jeong Shik, Chang Yoo Whan	2018.02.08	1. Submission of audit report for FY 2017 2. Evaluation of operation effectiveness for internal control over financial reporting (ICFR) 3. Audit committee's opinion on internal monitoring system	The resolution was approved in favor of all the attendees, including three Independent Director.
		2018.03.06	Change of agenda for Annual general meeting	The resolution was approved in favor of all the attendees, including three Independent Director.

Name of the Committee	The member of the Committee	Opening date	The details of the resolution	The result of the resolution
Committee for internal transaction	Choi Seung Hwan, Shin Jeong Shik, Chang Yoo Whan, Choo Sung Yob	2017.09.27	1. To approve the take-over property from related persons and conversion of investments to related persons 2. To approve an adjustment of approved internal transaction of FY 2017	The resolution was approved in favor of all the attendees, including three Independent Director.
		2017.12.21	To approve internal transactions of FY 2018	The resolution was approved in favor of all the attendees, including three Independent Director.
Remuneration committee		2018.02.08	1. To approve the standard of performance evaluation & incentive payment of year 2018 for CEO 2. To approve remuneration plan of the executive officers for year 2018 3. To approve ceiling on remuneration for directors of year 2018	The resolution was approved in favor of all the attendees, including three Independent Director.
Committee for recommending candidates for independent directors		2018.03.06	To approve recommendation of candidates for independent directors	The resolution was approved in favor of all the attendees, including three Independent Director.

8) Operation state of voting right at Annual general meeting

(From 1st May, 2017 to 1st May, 2018)

Concentrated vote system	Electronics vote system	Vote system in writing
X	X	X

9) The status of shareholding

(As of 1st May, 2018)

(As of 1st May, 2019)

Relationship with head of the group		Name	Common Stock		Preferred Stock		Total	
			No. of shares	Shareholding Ratio(%)	No. of shares	Shareholding Ratio(%)	No. of shares	Shareholding Ratio(%)
Related to Head of the group	Relatives	KIM, KI MAN	75,008	0.01	-	-	75,008	0.01
		KIM, JAE KWAN	100,000	0.02	-	-	100,000	0.02
		KIM, JEONG EUN	40,000	0.01	-	-	40,000	0.01
		OH, KWAN SUK	17,200	0.00	-	-	17,200	0.00
		KIM, HYUN CHUL	1,200	0.00	-	-	1,200	0.00
		KIM, TAI GEON	70	0.00	-	-	70	0.00
		HONG, YOUNG EUN	49,610	0.01	-	-	49,610	0.01
		OH, EUNG SEO	26,000	0.00	-	-	26,000	0.00
		NAM, IN SUK	6,097	0.00	-	-	6,097	0.00
		SONG, JIN WOOK	30,000	0.01	-	-	30,000	0.01
		CHOI, IN SUK	4,781	0.00	-	-	4,781	0.00
	Executives of subsidiary companies	JEUNG, JIN HYO	80,000	0.01	-	-	80,000	0.01
		JEONG, HO SEOK	240	0.00	-	-	240	0.00
		OH, SOO JONG	16,400	0.00	-	-	16,400	0.00
		JANG, KYOUNG SOO	800	0.00	-	-	800	0.00
		LEE, HYEONG JU	40	0.00	-	-	40	0.00
		LEE, BUM KWON	33,500	0.01	-	-	33,500	0.01
		CHUNG, HAK SANG	33,700	0.01	-	-	33,700	0.01
		LEE, JEONG GU	2,000	0.00	-	-	2,000	0.00
		PARK, JAE HO	1,600	0.00	-	-	1,600	0.00

Relationship with head of the group		Name	Common Stock		Preferred Stock		Total	
			No. of shares	Shareholding Ratio(%)	No. of shares	Shareholding Ratio(%)	No. of shares	Shareholding Ratio(%)
		CHOO, SUNG YOB	10,273	0.00	-	-	10,273	0.00
		CHANG, YOO WHAN	2,000	0.00	-	-	2,000	0.00
		JUNG, KAB SUN	16,716	0.00	-	-	16,716	0.00
		LEE, CHUNG WON	3,000	0.00	-	-	3,000	0.00
		KIM, BO YEON	22	0.00	-	-	22	0.00
		LEE, JOO SE	67,600	0.01	-	-	67,600	0.01
		DO, SANG CHULL	28,000	0.01	-	-	28,000	0.01
		MOON, KYEONG PIL	19,300	0.00			19,300	0.00
	Subsidiary company	JEIL HOLDINGS CO., LTD.	272,000,000	50.88	-	-	272,000,000	50.88
		ECHO CAPITAL	580,000	0.11			580,000	0.11
	Subtotal	-	273,245,157	51.12	-	-	273,245,157	51.12
Other shareholders		-	261,300,257	48.88	-	-	261,300,257	48.88
Total		-	534,545,414	100.00	-	-	534,545,414	100.00

10) Details of shares owned by companies belonging enterprise group

(As of 31st March, 2018)

Company owned shares	Invested Company	Book Value (KRW mil.)	No of shares
Pan Ocean Co., Ltd	Pos SM	3,593	800,000 (100%)

11) The status of borrowings

(From 1st Jan, 2018 to 31st Mar, 2018)

(Unit : KRW mil.)

Loaner Borrower	The enterprise group	The others
Pan Ocean Co., Ltd	-	137,165

12) Transactions of goods and services with companies belonging enterprise group

(From 1st Jan, 2017 to 31st Dec, 2017)

Name	Amount (KRW mil.)
Pos SM	108
Pan Ocean Japan Corporation	2
Pan Ocean Singapore Bulk Carrier Pte. Ltd.	7,193
Pan Ocean (America), Inc.	25,798
Total	33,101

13) Bond and debt from transactions with companies belonging enterprise group

(As of 31st Dec, 2017)

(Unit : KRW mil.)

Debtor Creditor	Jeil Feed Company , Ltd.	Pos SM	Total
Pan Ocean Co., Ltd	411	19	430

14) Guarantee of Debt for companies belonging enterprise group and the others

(As of 31st Mar, 2018)

(Unit : KRW mil.)

Debtor	Creditor	Amount of debt	Amount of guarantee	Period for debt guarantee
POS Maritime NB S.A.	ING	4,095	4,095	2015.02.25~2019.02.25
POS Maritime OB S.A.	ING	4,437	4,437	2015.02.25~2019.02.25
POS Maritime BZ S.A.	ING	4,605	4,605	2016.10.28~2019.10.24
POS Maritime CZ S.A.	ING	4,605	4,605	2016.10.28~2019.10.24
POS Maritime DZ S.A.	ING	4,605	4,605	2016.10.28~2019.10.24
POS Maritime EZ S.A.	ING	6,140	6,140	2016.10.28~2019.10.24
POS Maritime FC S.A.	The Export-Import Bank of Korea	10,043	10,043	2017.12.28~2022.12.28
POS Maritime GC S.A.	Societe Generale	18,486	18,486	2018.03.19~2025.03.19
POS Maritime HC S.A.	Societe Generale	18,486	18,486	2018.03.19~2025.03.19
Wilhelmsen Ships Service Ltd.	Younus and sons	-	1,613	2013.02.18~2019.01.13
Employee stock ownership association	Heung kook saving bank	161	210	2017.09.14~2018.09.13
Total		75,663	77,325	-

15) The status of performance guarantee for companies belonging enterprise group

(As of 31st Mar, 2018)

Name of company	Number of guarantees	Amount (KRW mil.)
Pan Ocean Co., Ltd	16	20,308

BY ORDER OF THE COMPANY

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 31 May 2018