

PROPOSED VOLUNTARY DELISTING OF PAN OCEAN CO., LTD.

APPROVAL FOR (1) THE PROPOSED DELISTING AND (2) WAIVER OF RULE 1309(1) OF THE LISTING MANUAL

1. INTRODUCTION

The board of directors (the "**Board**") of Pan Ocean Co., Ltd. (the "**Company**") refers to the joint announcement dated 14 June 2021 (the "**Joint Announcement**") made by the Company and Harim Holdings Co., Ltd. (the "**Offeror**") in relation to the following:

- (a) the proposed voluntary delisting of the Company (the "**Delisting**") of its issued ordinary shares in the capital of the Company (the "**Shares**") from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST (the "**Listing Manual**"); and
- (b) the proposed conditional cash exit offer (the "**Exit Offer**") to be made by RHT Capital Pte. Ltd., for and on behalf of the Offeror for all the Shares which are registered on the register of shareholders in Singapore (the "**Singapore Branch Register**"), up to a maximum of 206,896 Shares (the "**Maximum Quantity**") from the shareholders of the Company (the "**Shareholders**") who are registered as holders of such Shares on the Singapore Branch Register (the "**Singapore Registered Shareholders**"). For the avoidance of doubt, the Exit Offer will not be extended to the Shareholders whose Shares are registered on the Company's principal register of shareholders in the Republic of Korea (such shareholders, the "**Korea Registered Shareholders**").

All capitalised terms used and not defined herein shall have the same meanings given to them in the Joint Announcement.

2. BACKGROUND TO AND GROUNDS FOR THE APPLICATION TO THE SGX-ST

2.1 Listing Manual Requirements

- (a) Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:
 - (i) the Company convenes an extraordinary general meeting ("**EGM**") to obtain Shareholders' approval for the Delisting; and
 - (ii) the resolution to approve the Delisting has been approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM. The Offeror and parties acting in concert with it must abstain from voting on the resolution.
- (b) Pursuant to Rule 1309(1) of the Listing Manual, if the Company is seeking to delist from the SGX-ST, an exit offer must be made to the Company's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:
 - (i) be fair and reasonable; and

- (ii) include a cash alternative as the default alternative.
- (c) In addition, under Rule 1309(2), the Company must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.

2.2 Consultation with the SGX-ST regarding the Exit Offer

- (a) The Company had, on 22 January 2021, consulted SGX-ST on whether it has any objections to the Exit Offer being extended on the basis that the aggregate offer price to be paid by the Offeror be subject to a maximum amount, based on the following grounds:
 - (i) the Company intends to only delist from the SGX-ST and maintain its listing on the Korea Exchange ("**KRX**");
 - (ii) the Company had concerns that the Korea Registered Shareholders may transfer their Shares to the Singapore Branch Register solely in order to be eligible to accept the Exit Offer and take advantage of any arbitrage; and
 - (iii) to limit any potentially unreasonable financial burden on the Offeror, it was proposed that the Exit Offer be extended on the basis that the aggregate offer price to be paid by the Offeror be subject to a maximum amount. The Offeror will make the Exit Offer to acquire a specified maximum number of Offer Shares which will be determined by taking such maximum amount (being the amount which the Offeror has set aside to satisfy the Exit Offer), divided by the final offer price. In the event the Offeror receives acceptances in respect of such number of Offer Shares that exceeds such specified maximum number of Offer Shares offered, the Offeror will proceed with the Exit Offer but will scale-back on the number of acceptances on a *pro rata* basis.
- (b) The SGX-ST had, on 10 May 2021, informed the Company that based on the submissions and representations to the SGX-ST, the SGX-ST had no objection to the Company's proposal to extend the Exit Offer on a conditional basis, whereby the aggregate offer price to be paid by the Offeror in consideration of all of the Offer Shares tendered in acceptance of the Exit Offer as at the close of the acceptance period, does not exceed a maximum amount, and to scale-back on the number of acceptances on a *pro rata* basis if the number of Offer Shares tendered in acceptance of the Exit Offer exceeds the specified maximum number of Offer Shares offered, subject to the following:
 - (i) the Company's compliance with the listing requirements under the SGX-ST;
 - (ii) Shareholders' approval for the proposed Delisting having been obtained; and
 - (iii) in the event that the number of Offer Shares tendered in acceptance of the Exit Offer exceeds the specified maximum number of Offer Shares offered and the Offeror has to scale-back on the number of acceptances on a *pro rata* basis, the Company to: (A) absorb all the costs for the transfer of Shares back to the KRX; (B) appoint a designated broker in Singapore to assist in the transfer of remaining Shares back to the KRX; and (C) provide a minimum of three (3) months' notice to Shareholders prior to the Delisting.

2.3 Application to the SGX-ST for the Proposed Delisting and Rule 1309(1) Waiver

- (a) The Company had, on 18 June 2021, made an application to the SGX-ST to seek approval for:
 - (i) the Delisting; and
 - (ii) a waiver from compliance with Rule 1309(1) of the Listing Manual, in the event the aggregate number of Offer Shares tendered by the Singapore Registered Shareholders

in acceptance of the Exit Offer exceeds the Maximum Quantity of Offer Shares such that the Scale-Back (as defined below) applies (the "**Rule 1309(1) Waiver**").

- (b) The Rule 1309(1) Waiver was sought based on the following grounds:
- (i) under the terms of the Exit Offer, the Offeror will only acquire the Offer Shares which are registered on the Singapore Branch Register up to the Maximum Quantity. In the event the aggregate number of Offer Shares tendered by the Singapore Registered Shareholders in acceptance of the Exit Offer exceeds the Maximum Quantity, the Offer Shares tendered by the Singapore Registered Shareholders will be accepted on a *pro rata* basis, up to the Maximum Quantity (but in a manner which disregards any fraction of a Share) (the "**Scale-Back**"); and
 - (ii) in such an event where the Scale-Back applies, the Company would not be able to fully comply with the requirements under Rule 1309(1) of the Listing Manual as the Scale-Back will result in the Exit Offer not being made to the Singapore Registered Shareholders in respect of all of their Shares registered on the Singapore Branch Register which are to be delisted.

In view of the foregoing, the Company has sought SGX-ST's approval for the Rule 1309(1) Waiver.

3. WAIVER AND CONFIRMATION FROM THE SGX-ST

3.1 The Board wishes to announce that, on 18 October 2021, based on the Company's submissions and representations to the SGX-ST, the SGX-ST has stated that:

- (a) it has no objection to the Company's application for the Rule 1309(1) Waiver; and
- (b) it has no objection to the Delisting, subject to the following:
 - (i) the Company announcing the Rule 1309(1) Waiver granted, the reasons for seeking the Rule 1309(1) Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Rule 1309(1) Waiver conditions have been satisfied;
 - (ii) the Company's compliance with the listing requirements under the SGX-ST;
 - (iii) Shareholders' approval for the Delisting having been obtained;
 - (iv) in the event that the number of Offer Shares tendered in acceptance of the Exit Offer exceeds the specified maximum number of Offer Shares offered and the Offeror has to scale-back on the number of acceptances on a *pro rata* basis, the Company to: (A) absorb all the costs for the transfer of Shares back to the KRX; (B) appoint a designated broker in Singapore to assist in the transfer of remaining Shares back to the KRX; and (C) provide a minimum of three (3) months' notice to the Shareholders prior to the Delisting;
 - (v) notice to Shareholders (the "**Notice**") to be sent and mailed to the Shareholders at least three (3) months before the date of the Delisting; and
 - (vi) clear disclosure to be provided in the Notice on the actions required by the Shareholders including any costs to be incurred by them for the transition.

3.2 The Company will announce in due course when the conditions in respect of the Delisting and the Rule 1309(1) Waiver have been satisfied.

3.3 The SGX-ST's decision is not an indication of the merits of the Delisting.

4. DESPATCH OF DOCUMENTS TO SHAREHOLDERS

- 4.1 The Company will despatch a circular in connection with the Delisting (the "**Delisting Circular**") to the Shareholders in due course. The Delisting Circular shall include, *inter alia*, further information regarding the Delisting, the terms and conditions of the Exit Offer, the advice of the independent financial adviser namely, Novus Corporate Finance Pte. Ltd., pursuant to Rule 1309(2) of the Listing Manual as well as to the directors of the Company (the "**Directors**") who are considered independent for the purposes of the Exit Offer (the "**Independent Directors**"), on the Exit Offer, and the recommendation of the Independent Directors regarding the Exit Offer, and the notice of the EGM.
- 4.2 The exit offer letter (the "**Exit Offer Letter**") to be issued by the Offeror to the Shareholders containing, *inter alia*, the terms of the Exit Offer, procedures for acceptance of the Exit Offer and the relevant acceptance form(s) accompanying the Exit Offer Letter, will be despatched by or on behalf of the Offeror to Shareholders on the same day as the Delisting Circular.

5. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than those relating to the Offeror and persons acting in concert with it) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Delisting, the Exit Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

BY ORDER OF THE BOARD
PAN OCEAN CO., LTD.

Joong Ho Ahn
Director

19 October 2021