PAN OCEAN CO., LTD.

MANDATORY DISCLOSURE FOR DECISION ON PAID-IN CAPITAL INCREASE

---

* Company: Pan Ocean Co., Ltd
* Chief Executive Officer : Ahn, Joong Ho & Kim, Hong Kuk
* Location: Tower8, 7, Jong-ro 5-gil, Jongno-gu, Seoul, Korea
  Tel) 82-2-316-5114
  Website) http://www.panocean.com

* Person in charge: Position) Executive Director Name) Jung, Do Sik
  Tel) 82-2-316-5114

Decision on Paid-in Capital Increase

1. Number and Type of New Shares	Common Stock (shares)	305
	Preferred Stock (shares)	-
2. Par Value per Share (KRW)		1,000
3. Total Number of Issued Stock Before Capital Increase(shares)	Common Stock (shares)	534,569,207
	Preferred Stock (shares)	-
4. Purpose of Capital Increase	Facilities Fund (KRW)	-
	Operating Fund (KRW)	-
	Fund for Acquisition of Other Company's share (KRW)	-
	Other Funds (KRW)	-
5. Method of Capital Increase		Allotment to the 3rd Party
6. Issuing Price per Share	Common Stock (KRW)	12,500
	Preferred Stock (KRW)	-
7. Discount Rate or Premium Rate against the standard share price (%)		-
8. Ground in Articles of Association Regarding Allotment to the 3rd Party		Article 11 (Preemptive Right) Section 2, Number 9, "In the case of issuing new shares by converting claims for public interest, secured claims and unsecured claims into equity"
9. Payment Date for New Shares		30 September 2020

10. Record Date of Dividend Payout of New Shares		1 January 2020
11. Delivery Date of New Share Certificates		-
12. Listing Date of New Shares		30 October 2020
13. Relevance to Backdoor Listing by Contribution in Kind		Not Applicable
- Presence of Contribution in Kind		Not Applicable
- Presence of Unlisted Company among Contribution Property Contribution in Kind		Not Applicable
- Contribution in Kind Price of Shares Scheduled to be Paid	Contribution in Kind Price (KRW)	-
	Ratio to Consolidated Total Asset of the Company of Immediately Preceding Business Year (%)	-
- Number of Shares to be Paid		-
14. Compliance with Backdoor Listing Requirement		Not Applicable
15. Date of Board Resolution (Decision Date)		25 September 2020
- Attendance of Independent Directors	Present (No.)	4
	Absent (No.)	0
- Attendance of members of Audit Committee		Present
16. If Required to Submit Securities Report		Not Applicable
17. Reason if Exempted from Submitting Securities Report, the Reason		According to Article 277 in 'DEBTOR REHABILITATION AND BANKRUPTCY ACT'; When the Debtor of a New Company issues shares or bonds, the Article 119 in 'FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT' is Not Applicable.
18. Subject to Reporting to Fair Trade Commission		Not Applicable

19. Reference

- The payment date for new shares is the date of debt-to-equity conversion and there is no payment for the new shares in accordance with the revised rehabilitation plan.

- This debt-to-equity conversion is for the two kinds of creditors. The one is for those who had confirmed claim amount on the initial rehabilitation plan but not submitted identification document

to Pan Ocean in the previous debt-to-equity period and the other is for those who has confirmed claim amount after the approval of revised rehabilitation plan from the Court on 12th June 2015.

- Issuing price per a share was decided to KRW 12,500 according to the 2nd share consolidation(ratio 10:1) on the initial rehabilitation plan and another share consolidation(ratio 1.25:1) on the revised rehabilitation plan.

- The fractional shares less than 1 share accrued from the paid-in capital increase will be nullified pursuant to the revised rehabilitation plan.

- For the creditors who submitted the identification documents, the debt-to-equity conversion might be reserved this time due to disqualifications and proceed separately upon the BOD's approval after qualified identification documents being acquired.

[Ground for Allotment to the 3rd Party and the Purpose]

Article of Association as Ground for Allotment to the 3rd Party	**Purpose of Allotment to the 3rd Party**
Article 11 (Preemptive Right) Section 2, Number 9, "In the case of issuing new shares by converting claims for public interest, secured claims and unsecured claims into equity"	Financial Structure Improvement

[Details of 3rd Party Selection, Transaction, Allotted Shares by each 3rd Party for Allotment]

3rd Party for Allotment	**Relations with the Company or Major Shareholder**	**Reason for Selection**	**Transaction History and Plan before and after Decision of Capital Increase**	**Allotted Shares(No.)**	**Others**
Heung Kook Saving Bank	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	305	-

BY ORDER OF THE COMPANY

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 25 September 2020