

K

THRIVING IN A STRONG MARKET



Incentivised Conversion Offer of
US\$175m Convertible Bond

25 April 2022

INCENTIVISED CONVERSION OFFER TO HOLDERS OF US\$175m CONVERTIBLE BOND

- In Oct 2019 we issued a US\$175m convertible bond with 3% coupon rate, maturing in Dec 2025 (the “CB”). The current conversion price is HK\$1.93 per share
- Following the strong rebound in the dry bulk freight market and Pacific Basin’s share price, the CB as of 22 April 2022 is 212% of par and the imbedded option is deep in the money
- The Company is offering the holders of the bonds the opportunity to convert early by paying 14.5% of the par value per outstanding bond (including accrued interest) and 14% if applications are received after. The offer is on a first-come-first served basis and capped at 60% of all outstanding bonds (maximum cash payment of US\$15.2m)
- The incentivised conversion deleverages our balance sheet by reducing net borrowings and increasing our equity capital whilst significantly lowering finance costs. A smaller outstanding CB also reduces future potential dilution to shareholders as a result of dividend payments (as the CB conversion price is adjusted whenever a dividend is paid)

Timetable of Events	Time and Dates
Launch of the Proposed Conversion Offer	25 April 2022
Early Cash Incentive Deadline	26 April 2022
Close of the Proposed Conversion Offer	28 April 2022
Delivery of the Conversion Shares	On or before 6 May 2022
Announcement of Completion of Delivery of Conversion Shares & Payment of Early Cash Incentive and the Cash Incentive	6 May 2022