

Proposed Convertible Bonds Due 2025 (Announcement 31 Oct 2019)

- Issue of 3% Convertible Bonds due 2025 in an aggregate principal amount of US\$175 million
- Shareholders' approval will be needed at a Special General Meeting to approve the issue of the Convertible Bonds and the issue of new shares upon conversion
- BNP Paribas, HSBC and DNB are acting as Joint Lead Managers

Reasons for the issue:

- To support the organic expansion and renewal of our fleet while further enhancing the Group's balance sheet and liquidity position
- No immediate dilution of the existing shareholders
- The Convertible Bonds are unsecured and non-amortising, representing an attractive and alternative source of longer term financing for the Company
- Attractive cash cost of 3%

Use of proceeds:

- To fund the expansion and renewal of our fleet of Handysize and Supramax vessels and for general corporate purposes
- US\$49.5m of the proceeds has been committed as cash consideration for our partly equity-funded acquisition of 4 modern secondhand vessels (announced in Sep 2019)

Terms and Expected Conversion/Redemption Timeline

| | |
|-----------------------------|---|
| Issue size | US\$175 million |
| Maturity Date | 10 Dec 2025 (approx. 6 years) |
| Investor Put Date and Price | 10 Dec 2023 (approx. 4 years) at par |
| Coupon | 3% p.a. payable semi-annually in arrear on 10 Jun and 10 Dec |
| Redemption Price | 100% |
| Initial Conversion Price | HK\$2.40 |
| Intended Use of Proceeds | To support the organic expansion and renewal of our fleet while further enhancing the Group's balance sheet and liquidity position and general corporate purposes |

Expected Conversion/Redemption Timeline

