

Press Release

Pacific Basin Proposes Issue of Guaranteed Convertible Bonds Due 2025

Hong Kong, 31 October 2019 – Pacific Basin Shipping Limited (“Pacific Basin” or the “Company”, 2343.HK), one of the world’s leading dry bulk shipping companies, announced that it has today entered into an agreement to issue new Convertible Bonds to raise approximately US\$175 million.

Mr. Mats Berglund, Chief Executive Officer of Pacific Basin said:

“As part of our overall financing plan, we regularly seek out funding opportunities which we consider attractive and beneficial to our shareholders. This Convertible Bond issue represents an opportunity for us to access the convertible market on attractive terms and further enhance the Group’s balance sheet and liquidity position to support the organic expansion and renewal of our fleet of Handysize and Supramax vessels. Approximately US\$49.5 million of the proceeds is intended to be used as cash consideration for our partly equity-funded acquisition of four modern second-hand vessels that we announced on 17 September 2019.”

Pacific Basin utilises three external sources of capital – bank loans, convertible bonds and equity. Through this Bond Issue, the fifth for the Company, Pacific Basin will secure around US\$175 million of funding with a cash coupon of 3% per annum representing an attractive cost of funding. The new Convertible Bonds will mature in December 2025 with a bondholder put option date in December 2023.

The new Convertible Bonds may be converted into ordinary shares from January 2020 to November 2025 at an initial conversion price of HK\$2.40 (subject to a downward adjustment for dividend payments, etc.) which represents a 31.87% premium over today’s closing share price.

Shareholders’ approval will be needed through a Specific Mandate at a Special General Meeting to approve the issue of the Convertible Bonds and the issue of new shares upon conversion of the Convertible Bonds.

BNP Paribas, HSBC and DNB are acting as the Joint Lead Managers for the Convertible Bonds.

For further details on the Convertible Bonds’ terms and conditions, please refer to the full text of today’s announcement on the Company’s website.



About Pacific Basin

Pacific Basin Shipping Limited (www.pacificbasin.com) is one of the world’s leading owners and operators of modern Handysize and Supramax dry bulk vessels. The Company currently owns 115 dry bulk ships. Including chartered ships, we operated an average of 230 Handysize and Supramax ships overall during the first half of 2019. Pacific Basin is listed and headquartered in Hong Kong and provides a quality service to over 500 customers, with approximately 3,800 seafarers and over 330 shore-based staff in 12 offices in key locations around the world.

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