



PACIFIC INTERNATIONAL LINES (PTE) LTD

140 CECIL STREET #03-00, PIL BUILDING, SINGAPORE 069540
TEL: 65-6221 8133 FAX: 65-6225 8244 WEBSITE: www.pilship.com
CO. REG. NO. 196700080N

26 May 2020

DEBT RE-PROFILING DISCUSSIONS AND POTENTIAL INVESTMENT

The Board of Directors (the "**Board**") of Pacific International Lines (Private) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce the following matters:

1. Debt Re-profiling Discussions

In light of the significant challenges facing the container shipping industry, PIL has made significant progress towards rationalising our service offerings and reducing asset costs. However, despite the Company's best efforts, the persistent COVID-19 pandemic has caused the situation to worsen over the past month.

Due to the situation, the Company had commenced discussions with 15 of its financial lenders with a view to concluding a formal agreement concerning a debt re-profiling plan with these stakeholders.

In support of these discussions, the Company has since requested and obtained the in-principle approval of a majority of the financial lenders (representing approximately 97.6% of the total debt) for:

- (i) a deferral of principal and interest payments until 31 December 2020; and
- (ii) a formal standstill on enforcement actions until 31 December 2020, or until a formal debt re-profiling agreement is entered into, whichever is earlier.

The Company continues to be in discussions with the two financial lenders representing the remaining 2.4% of the total debt with a view to obtaining their in-principle approval for the above matters. In particular, as one of those lenders had issued a letter of demand to the Company on 11 May 2020 for US\$12,641,059.38 to be paid within 10 Business Days.

The Company is also in discussions with a group of its finance lessors with a view to concluding a re-profiling of the relevant lease agreements.

Given that the Company has formally requested a standstill on all principal and interest payments to the financial lenders and requested an agreement for a moratorium on enforcement actions against the Company and/or its assets, the Company would caution that there are likely to be events of default arising under its financing agreements including under the terms of the S\$60 million in principal amount of fixed rate bonds due 2020 (the "**Notes**") as previously issued by the Company due to the same.

2. Potential Investment by Investor

The Company has entered into an exclusivity agreement with Heliconia Capital Management Pte. Ltd. ("**Heliconia**"), for a term of six (6) months from 26 May 2020, in relation to a potential investment.

The Company, which is being advised by Evercore Asia (Singapore) Pte. Ltd. on its strategic and capital raising alternatives, is currently in preliminary negotiations with Heliconia.

Holders of the securities of the Company are advised that there is no certainty that any transaction or agreements will be entered into pursuant to these discussions.



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As discussions with Heliconia progress, the Board will make further announcements as and when there are any material updates or developments. Until such time, neither the Company nor Heliconia will make further comments on this matter.

3. Updates

The Board is consulting with its financial and legal advisors, Evercore Asia (Singapore) Pte. Ltd. and WongPartnership LLP, to assess the matters above and will continue in good faith to negotiate with Heliconia, and the Company's financial lenders and lessors.

The Company also intends to convene informal meetings with the holders of the Notes soon to facilitate continuing communications on the financial position of the Company and where appropriate, discuss further proposals to its creditors with respect a debt re-profiling plan. The Board will make further announcements as and when there are any material updates or developments as may be necessary or appropriate.

Any media queries may be directed to:

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Holders of the securities of the Company are advised to exercise caution at all times when dealing in the securities, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.