

Ref: 2017-014

12th June, 2017

To: The President of the Stock Exchange of Thailand

**Subject: Reporting on the new Secured Loan Agreement of USD 16.25 million from
BNP Paribas ("BNP")**

We, Precious Shipping Public Company Limited (the “Company”) would like to notify the Stock Exchange of Thailand that on 9th June 2017, the Company has executed a USD 16.25 million Secured Loan Agreement with BNP Paribas (“Agreement”) to refinance up to 65% of the lower of the contract price or market value with a maximum loan amount of USD 16.25 million of one 63,345 DWT Ultramax Dry Bulk Vessel, i.e. M.V. Sarocha Naree (Hull No. SF130127) (“Vessel”), delivered from Taizhou Sanfu Ship Engineering Co. Ltd. (“Sanfu”) to our Singaporean subsidiary, Precious Grace Pte. Ltd., on 18th April 2017.

The summary of main terms and conditions of the Agreement is enclosed herewith as an attachment.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khushroo Kali Wadia
Director

ATTACHMENT

Summary of main terms and conditions of the USD 16.25 million Secured Loan Agreement (“Agreement”)

Borrowers:	Precious Shipping Public Company Limited (the “PSL”) and Precious Grace Pte. Ltd. (the “Vessel Owner”) as joint borrowers (the “Joint Borrowers”)
Lender:	BNP Paribas (“BNP”)
Agent:	BNP
Security Agent:	BNP
Purpose:	To refinance up to 65% of the lower of the contract price or market value with a maximum loan amount of USD 16.25 million of the Vessel.
Loan Amount:	The Maximum Loan Amount is USD 16.25 million. The Vessel Loan shall not exceed the lower of: i. USD 16,250,000; ii. 65% of the market value of the Vessel.
Interest Rate:	USD LIBOR plus Margin.
Availability Period:	Up to 30 th June, 2017.
Repayment:	The Vessel Loan shall be repaid over 8 years, in 32 consecutive quarterly installments of USD 338,542 beginning from three calendar months after the drawdown, plus a balloon payment of USD 5,416,656 payable concurrently with the last instalment. If the drawdown is less than the Maximum Loan Amount, the amount of each Repayment Instalment and the Balloon Repayment shall be reduced pro rata to the amount actually drawn.
Security:	<ul style="list-style-type: none">• First priority mortgage of the Vessels;• Pledge of shares of the Vessel Owner;• First priority charge over the Vessel Owner’s Earnings Accounts and Retention Accounts of the Vessel Owner opened with BNP;• First priority assignment of all insurances and requisition compensation of the Vessel; and• First priority assignment of any charterparties (for a period of 36 months or more).
Financial Covenants:	PSL shall comply with the following to be measured quarterly based on its consolidated USD Financial Statements: a) Maximum Funded Debt to Total Shareholders’ Equity ratio of 2:1; b) Minimum Total Shareholders’ Equity of USD 300,000,000; c) Maintain a minimum Free Cash Balance of USD 200,000 per vessel owned by PSL and its subsidiaries.
Vessel Covenants:	<ul style="list-style-type: none">• The Vessel has to be registered in Singapore; and• The aggregate market value of the Vessel shall be at least 125% of the aggregate outstanding Vessel Loan at all times.

Other Covenants:	<ul style="list-style-type: none">• PSL shall remain listed on the Stock Exchange of Thailand at all times;• The Joint Borrowers are allowed to pay out dividends to shareholders out of their profits (excluding the principal amount of the refunds received resulting from the cancellation of 9 shipbuilding contracts with Sainty shipyard) unless an Event of Default has occurred and is continuing.
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