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## **Seacon Shipping Group Holdings Limited**

**洲際船務集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2409)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES**

#### **ACQUISITION OF PROPERTIES**

The Board announces that on 11 August 2023 (after trading hours of the Stock Exchange), the Company and the Seller entered into the Agreements, pursuant to which the Company agreed to purchase and the Seller agreed to sell the Properties for an aggregate consideration of RMB239,834,400.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the acquisition of the Properties under the Agreements exceeds 5% but is less than 25%, the acquisition of the Properties under the Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

The Board announces that on 11 August 2023 (after trading hours of the Stock Exchange), the Company and the Seller entered into the Agreements, pursuant to which the Company agreed to purchase and the Seller agreed to sell the Properties for an aggregate consideration of RMB239,834,400.

## **THE AGREEMENTS**

The principal terms of the Agreements are as follows:

### ***Date***

11 August 2023 (after trading hours of the Stock Exchange)

### ***Parties***

The Company (as the purchaser) and the Seller (as the seller)

### ***Properties to be acquired***

The Office Building and the Parking Slots, which are under construction and expected to be delivered by 2026.

### ***Consideration***

RMB239,834,400, which comprises RMB224,400,000 for the Office Building and RMB15,434,400 for the Parking Slots.

For the consideration of RMB224,400,000 with respect to the Office Building, the Company shall pay RMB44,880,000 as the Security Deposits and the balance of the consideration shall be paid by the Company to the Seller within thirty (30) days after the issuance of the delivery notices by the Seller upon the fulfilment of the sales conditions as set out in the Commodity Housing Pre-sale Contracts for each unit in the Office Building. The Commodity Housing Pre-sale Contracts shall be entered into by the parties within thirty (30) days after the Seller obtaining the pre-sale permit (預售證) in relation to the Office Building, which is expected to take place in 2026.

For the consideration of RMB15,434,400 with respect to the Parking Slots, the Company shall pay RMB771,720 as the Security Deposits and the balance of the consideration shall be paid by the Company to the Seller upon the fulfilment of the sales conditions of the Parking Slots as set out in the Supplemental Sale Contracts for Parking Slots. The Supplemental Sale Contracts for Parking Slots shall be entered into by the parties within thirty (30) days after the signing of the Commodity Housing Pre-sale Contracts, which is expected to take place in 2026.

The Properties were sold through public sale and the consideration was determined by the Seller. In assessing the fairness and reasonableness of the consideration, the Board has made reference to the prevailing market prices of similar properties in the vicinity.

It is currently expected that the consideration will be funded by a combination of part of the proceeds from the listing of the Shares, internal resources of the Group and external financing from financial or other institutions.

### *Security Deposits and liquidated damages*

For the sale and purchase of the Office Building:

- (i) if the Company refuses to enter into the Commodity Housing Pre-sale Contracts and its supplemental agreements with the Seller, or refuses to pay the outstanding consideration for any reasons that are not caused by the Seller, the Company shall pay the Seller liquidated damages of RMB30 million. If the Seller refuses to enter into the Commodity Housing Pre-sale Contracts and its supplemental agreements with the Company for any reasons that are not caused by the Company, the Seller shall pay the Company liquidated damages of RMB30 million;
- (ii) if the Company fails to make timely payment of the Security Deposits or the consideration, the Company shall pay the Seller liquidated damages equal to 0.02% of the outstanding amount per day. If the outstanding amount is overdue for more than fifteen (15) days, the Seller shall have the right to terminate the Agreements, and the Company shall pay the Seller liquidated damages of RMB30 million; and
- (iii) if any party renounces cooperation by its conduct, it constitutes a breach of the Agreements and the non-defaulting party shall have the right to terminate the Agreements. If the Company breaches the Agreements, all the Security Deposits paid to the Seller shall be forfeited by the Seller in the form of liquidated damages. If the Seller breaches the Agreements, the Seller shall return the Security Deposits paid by the Company without interest.

For the sale and purchase of the Parking Slots:

- (i) if the Company refuses to enter into the Supplemental Sale Contracts for Parking Slots with the Seller, or refuses to pay the outstanding consideration for any reasons that are not caused by the Seller, the Company shall pay the Seller liquidated damages of RMB10 million;
- (ii) if the Company fails to make timely payment of the Security Deposits or the consideration, the Company shall pay the Seller an overdue penalty equals to 0.02% of the outstanding amount per day. If the outstanding amount is overdue for more than fifteen (15) days, the Seller shall have the right to terminate the Agreements, and the Company shall pay the Seller liquidated damages of RMB10 million; and
- (iii) if any party renounces cooperation by its conduct, it constitutes a breach of the Agreements and the non-defaulting party shall have the right to terminate the Agreements. If the Company breaches the Agreements, all the Security Deposits paid to the Seller shall be forfeited by the Seller in the form of liquidated damages. If the Seller breaches the Agreements, the Seller shall return the Security Deposits paid by the Company without interest.

## **REASONS AND BENEFITS OF THE ACQUISITION OF PROPERTIES**

To reinforce the position of the Group as a leading ship management services provider, the Group intends to expand its ship management capabilities through establishing new offices at strategic locations.

The Group intends to use the Properties to set up its new ship management office in Shanghai to expand the Group's footprint with regard to its ship management business, while at the same time looking for leasing opportunities as well as planning for future business needs of the Group, which the Directors believe would be in the interests of the shareholders of the Company as a whole. The Directors believe that establishing a presence in Shanghai, being one of the major maritime cities in the PRC linking up multiple major ports in East China such as Shanghai Port, Zhoushan Port and Suzhou Port, is greatly conducive to the expansion of the ship management business of the Group. Given the importance of Shanghai as a major shipping hub where internationally renowned shipping companies, shipowners, vessel suppliers and other major players across the shipping supply chain network are based, the Directors believe that being in close proximity with such major market players allows the Group to better grasp new market opportunities and enhance the coverage of the service offerings of the Group.

Taking into account the (i) prevailing market prices of similar properties in the vicinity; (ii) potential for development of the Lingang Special Area; and (iii) business development and expansion plan of the Group, the Board considers that the acquisition of the Properties represents a good investment opportunity and would save the cost of renting office premises in the long term as well as improving the working environment of the Group's employees.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the transactions contemplated under the Agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **INFORMATION OF THE PARTIES**

### **The Company and the Group**

The Company is an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409). The Group is principally engaged in the provision of shipping services and ship management services.

## **The Seller**

The Seller is a company established in the PRC with limited liability. It is principally engaged in property development and operation and construction. The Seller is owned by Shanghai Lingang New District Economic Development Co., Ltd.\* (上海臨港新片區經濟發展有限公司) and Hangzhou Shengyuan Real Estate Development Co., Ltd.\* (杭州盛元房地產開發有限公司) as to 51% and 49%, respectively.

Shanghai Lingang New District Economic Development Co., Ltd.\* (上海臨港新片區經濟發展有限公司) is wholly-owned by Shanghai Lingang Holdings Co., Ltd.\* (上海臨港控股股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600848).

Hangzhou Shengyuan Real Estate Development Co., Ltd.\* (杭州盛元房地產開發有限公司) is ultimately beneficially owned by Mr. Li Shuirong (李水榮).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the acquisition of the Properties under the Agreements exceeds 5% but is less than 25%, the acquisition of the Properties under the Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Agreements”	the framework agreement and the supplemental agreements thereto entered into between the Company and the Seller in respect of the sale and purchase of the Properties
“Board”	the board of Directors
“Commodity Housing Pre-sale Contracts”	Shanghai Commodity Housing Pre-sale Contracts (上海市商品房預售合同) to be entered into between the Company and the Seller in respect of the sale and purchase of each unit in the Office Building

“Company”	Seacon Shipping Group Holdings Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409)
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Building”	an office building under construction and located at Office Building U2, Plot 01-01, Unit PDC1-0105、PDC1-0202, Lingang Special Area of China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區臨港新片區PDC1-0105、PDC1-0202單元01-01地塊U2棟辦公樓) with a planned construction area of approximately 6,800 square metres
“Parking Slots”	underground parking slots corresponding to the Office Building
“PRC”	the People’s Republic of China
“Properties”	Office Building and Parking Slots
“RMB”	Renminbi, the lawful currency of the PRC
“Security Deposits”	the security deposits to be paid by the Company to the Seller under the Agreements
“Seller”	Shanghai Lingang Xinpianqu Jingang Shengyuan Real Estate Co., Ltd.* (上海臨港新片區金港盛元置業有限公司), a company established in the PRC with limited liability
“Shares”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Sale Contracts for Parking Slots” supplemental agreements to the Commodity Housing Pre-sale Contracts to be entered into between the Company and the Seller in respect of the sale and purchase of the Parking Slots

“%” per cent

By order of the Board  
**Seacon Shipping Group Holdings Limited**  
**Guo Jinkui**  
*Chairman*

Hong Kong, 11 August 2023

*As at the date of this announcement, the Board comprises executive Directors of Mr. Guo Jinkui, Mr. Chen Zekai, Mr. He Gang, and Mr. Zhao Yong; and independent non-executive Directors of Mr. Fu Junyuan, Ms. Zhang Xuemei, and Mr. Zhuang Wei.*

\* *For identification purposes only*