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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)**

### **MAJOR TRANSACTIONS**

#### **(1) BAREBOAT CHARTERS IN RELATION TO FOUR VESSELS; AND (2) FINANCE LEASE ARRANGEMENTS IN RELATION TO TWO VESSELS**

##### **BAREBOAT CHARTERS**

The Board announces that on 18 December 2023 (after trading hours of the Stock Exchange), (1) four indirect wholly owned subsidiaries of the Company, namely, the Four Charterers, entered into the Bareboat Charters with the Four Owners, respectively, pursuant to which the Four Owners agreed to charter the Four Vessels to the Four Charterers; and (2) the Company entered into the Guarantees in favour of the Four Owners.

##### **FINANCE LEASE ARRANGEMENTS**

The Board announces that on 18 December 2023 (after trading hours of the Stock Exchange), the Fifth Charterer and the Sixth Charterer, indirect wholly-owned subsidiaries of the Company, and the Fifth Owner and the Sixth Owner, respectively, entered into the First Finance Lease Arrangement and the Second Finance Lease Arrangement, respectively, pursuant to which (1) the Fifth Charterer and the Sixth Charterer agreed to sell the Fifth Vessel and the Sixth Vessel, respectively, to the Fifth Owner and the Sixth Owner, respectively, each for a consideration of USD41,580,000 under the First Memorandum of Agreement and the Second Memorandum of Agreement; (2) the Fifth Owner and the Sixth Owner agreed to charter the Fifth Vessel and the Sixth Vessel to the Fifth Charterer and the Sixth Charterer, respectively, under the Fifth Bareboat Charter and the Sixth Bareboat Charter; and (3) the Company entered into the Guarantees in favour of the Fifth Owner and the Sixth Owner, respectively.

## **LISTING RULES IMPLICATIONS**

Since the Bareboat Charters were entered into with the Four Owners, which are all wholly owned subsidiaries of CMG, the charter of the Four Vessels under the Bareboat Charters shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Bareboat Charters, when aggregated, exceeds 25% but is less than 100%, the Bareboat Charters constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since the Finance Lease Arrangements were entered into with the Fifth Owner and the Sixth Owner, which are both wholly owned subsidiaries of CMG, the Finance Lease Arrangements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Finance Lease Arrangements, when aggregated, exceeds 25% but is less than 100%, the Finance Lease Arrangements constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements. As such, no Shareholder is required to abstain from voting if a general meeting of the Company is to be convened for the approval of the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements from the Closely Allied Group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements has been satisfied in lieu of a Shareholders' general meeting of the Company.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (1) further details of the Bareboat Charters, the Finance Lease Arrangements and the transactions contemplated thereunder; and (2) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 11 January 2024.

## **BAREBOAT CHARTERS**

The Board announces that on 18 December 2023 (after trading hours of the Stock Exchange), (1) four indirect wholly owned subsidiaries of the Company, namely, the Four Charterers, entered into the Bareboat Charters with the Four Owners, respectively, pursuant to which the Four Owners agreed to charter the Four Vessels to the Four Charterers; and (2) the Company entered into the Guarantees in favour of the Four Owners.

Each of the Bareboat Charters is on substantially the same terms (other than the parties and the vessels involved). The principal terms of the Bareboat Charters are as follows:

### ***Date***

18 December 2023

### ***Parties***

The Four Charterers and the Four Owners

### ***The Four Vessels***

Each of the Four Vessels is a 62,000 dwt heavy-lift multi-purpose vessel to be constructed under the Shipbuilding Contracts.

### ***Charter period***

Three years commencing from the Delivery Dates, which are expected to be 31 August 2025, 31 October 2025, 30 November 2025 and 31 December 2025 for the Four Vessels, respectively. The charter periods may be extended, at the option of the Four Charterers, by four extension options (each being three years).

If the Four Charterers do not exercise any of the extension options (such that the charter period is shorter than 15 years), they shall exercise the Purchase Options to purchase the Four Vessels.

### ***Charter-hire***

The charter-hire payable by the Four Charterers to the Four Owners under each of the Bareboat Charters consists of:

- (1) an Advance Charter-hire, which shall be deemed to have been paid by setting off the payment of 5% of each instalment under the corresponding Shipbuilding Contract before such instalment is paid by the relevant Owner;
- (2) a Pre-delivery Rebate Fee payable on each Payment Date in arrears from the date of the first instalment made by the relevant Owner under the relevant Shipbuilding Contract up to and including the Delivery Date, each such instalment being equal to

the Pre-delivery Rebate Rate multiplied by the aggregate of the instalments paid by the relevant Owner as co-buyer under the relevant Shipbuilding Contract at the time of such payment; and

- (3) a Post-delivery Charter-hire payable on each Payment Date commencing from the Delivery Date, being the aggregate of the amount calculated by multiplying USD9,540 by the number of days in the Hire Period; such aggregate amount represents the remaining purchase price of the relevant Vessel payable by the relevant Owner after deducting the Advance Charter-hire, in addition to an interest rate on such amount.

### ***Purchase Options***

Subject to the Bareboat Charters, each of the Four Charterers shall have the Purchase Option to purchase the Four Vessels on and from the second anniversary of the Delivery Date on the Purchase Option Date at the applicable Purchase Option Price.

Subject to the Bareboat Charters, the Four Charterers shall on the Final Purchase Option Date have the options to purchase all of the Four Owners' beneficial and legal rights, titles and interests in the Four Vessels and all belonging to them and the Four Charterers shall pay USD13,000,000 for each of the Four Vessels on the Final Purchase Option Date thereto unless the Four Owners agree otherwise.

### ***Put options***

The Four Owners shall have the options to require the Four Charterers to purchase the corresponding Vessels at the Put Option Price if the Four Owners become aware that the initial sub-charters to be entered into in relation to the Four Vessels have expired (including due to the non-exercise of any extension options) or terminated prior to the end of the charter period.

If the Four Charterers and/or the Company have failed to arrange financing for certain vessels in the agreed form within the stipulated time period, the relevant Owners shall have the options to require the relevant Charterers to purchase the corresponding Vessels at the Put Option Price.

The amount of all charter-hire payments and the Purchase Option Prices was determined after arm's length negotiations between the Four Owners and the Four Charterers taking into account (1) the quotation provided by another company in relation to bareboat charters for the Four Vessels; (2) the interest payable by the Company in the finance leasing transactions for other vessels of the Company and the prevailing market interest rate; and (3) the purchase prices of the Four Vessels under the Shipbuilding Contracts.

### ***Security documents***

In connection with the Bareboat Charters, the following Security Documents have been entered into:

- (1) four Pre-delivery Assignments executed by the Four Charterers in favour of the Four Owners, respectively, in relation to the assignment of the Four Charterers' rights and interests in and to the Shipbuilding Contracts, among other things, the rights to reject or take delivery of the Four Vessels and the rights to terminate the Shipbuilding Contracts;
- (2) four General Assignments executed by the Four Charterers in favour of the Four Owners respectively in relation to the assignment of the Four Charterers' rights and interest in and to, among other things, the earnings, insurances, requisition compensation and any sub-charters in respect of the Four Vessels; and
- (3) four Share Securities over the shares of the Four Charterers executed by their sole shareholder, Seacon Shipping Pte. Ltd., an indirect wholly owned subsidiary of the Company, in favour of the Four Owners, respectively,

to secure the obligations and liabilities and the performance by the Four Charterers to the Four Owners under or in connection with the Bareboat Charters.

### ***Guarantee***

The Company has entered into four Guarantees in favour of the Four Owners respectively, pursuant to which the Company agreed to, among other things:

- (1) guarantee to the Four Owners the due payment of all amounts payable by the Four Charterers under or in connection with the corresponding Leasing Documents, and undertake with the Four Owners to pay to them, immediately on their demands, any such amount which is not paid by the Four Charterers when due and payable;
- (2) guarantee to the Four Owners the punctual performance by the Four Charterers of all their obligations under or in connection with the corresponding Leasing Documents; and

- (3) undertake to indemnify the Four Owners immediately on their demands in respect of all documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the Four Owners as a result of or in connection with any obligation or liability of the Four Charterers under the corresponding Leasing Documents and/or any obligation or liability guaranteed by the Company being or becoming unenforceable, invalid, void or illegal.

### ***Fee Letters***

In addition, in connection with each of the Bareboat Charters, the Four Charterers and the Four Owners entered into four upfront Fee Letters, pursuant to which the Four Charters agree to pay the upfront fee of USD316,000 in relation to each of the Four Vessels, payable within five business days from the date of the relevant Bareboat Charter and in any event before the Delivery Date.

### **Shipbuilding Contracts**

The Four Owners and the Four Charterers, as co-buyers, entered into four Shipbuilding Contracts with the Shipbuilder on 18 December 2023 for the acquisition of the Four Vessels at the purchase price of USD41,580,000 each. Pursuant to the Shipbuilding Contracts, the Four Owners shall pay to the Shipbuilders all instalments of the purchase prices of the Four Vessels, and the Four Vessels shall be registered in the name of the Four Owners. The Four Charterers shall be responsible for performing other obligations and duties as the co-buyers under the Shipbuilding Contracts, including but not limited to attending to trials of the Four Vessels, supervising and inspecting the construction of the Four Vessels and providing the requisite buyer's supplied items. It is understood among the Four Owners and the Four Charterers that the Four Owners will only be liable for payment of 95% of the purchase price and the Four Charterers shall make a payment of 5% of each instalment to the Four Owners prior to any instalment of purchase price being paid by the Four Owners to the Shipbuilder pursuant to the Shipbuilding Contracts.

### **FINANCE LEASE ARRANGEMENTS**

The Board announces that on 18 December 2023 (after trading hours of the Stock Exchange), the Fifth Charterer and the Sixth Charterer, indirect wholly-owned subsidiaries of the Company, and the Fifth Owner and the Sixth Owner, respectively, entered into the First Finance Lease Arrangement and the Second Finance Lease Arrangement, respectively, pursuant to which (1) the Fifth Charterer and the Sixth Charterer agreed to sell the Fifth Vessel and the Sixth Vessel, respectively, to the Fifth Owner and the Sixth Owner, each for a consideration of USD41,580,000 under the First Memorandum of Agreement and the Second Memorandum of Agreement; (2) the Fifth Owner and the Sixth Owner agreed to charter the Fifth Vessel and the Sixth Vessel to the Fifth Charterer and the Sixth Charterer, respectively, under the Fifth Bareboat Charter and the Sixth Bareboat Charter; and (3) the Company entered into the Guarantees in favour of the Fifth Owner and the Sixth Owner, respectively.

The principal terms of the Finance Lease Arrangements are as follows:

***Date***

18 December 2023 (after trading hours of the Stock Exchange)

***Parties***

The Fifth Charterer and the Sixth Charterer, as the sellers under the First Memorandum of Agreement and Second Memorandum of Agreement, respectively, and as the charterers under the Fifth Bareboat Charter and the Sixth Bareboat Charter, respectively.

The Fifth Owner and the Sixth Owner, as the buyers under the First Memorandum of Agreement and the Second Memorandum of Agreement, respectively and as the owners under the Fifth Bareboat Charter and the Sixth Bareboat Charter, respectively.

***Subject matter***

The Fifth Vessel and the Sixth Vessel, each being a 62,000 dwt general dry cargo vessel under construction. As the Fifth Vessel and the Sixth Vessel are still under construction, no profit was generated by the Fifth Vessel and the Sixth Vessel for the two financial years immediately preceding the First Finance Lease Arrangement and the Second Finance Lease Arrangement, respectively.

***Consideration***

Under each of the First Memorandum of Agreement and the Second Memorandum of Agreement, the respective consideration for the sale of each of the relevant Vessel is USD41,580,000. Such consideration, after deducting the Advance Charter-Hire, is payable by the relevant Owner to the corresponding Charterer in four instalments in the amounts of USD4,158,000, USD4,158,000, USD6,237,000 and USD24,947,000, respectively according to the milestones with respect to the construction, launching and delivery of the relevant Vessel.

The consideration was determined after arm's length negotiations between the Fifth Owner and the Sixth Owner, respectively, and the Fifth Charterer and the Sixth Charterer respectively, taking into account the acquisition cost of each of the Fifth Vessel and the Sixth Vessel of USD41,580,000.

### ***Charter period***

Three years commencing from the Delivery Dates, which are expected to be on or before 30 November 2024 for the Fifth Vessel and 31 December 2024 for the Sixth Vessel. The charter period may be extended, at the option of the Fifth Charterer and the Sixth Charterer, respectively, by four extension options (each being three years) in the option of the Fifth Charterer and the Sixth Charterer, respectively.

If the Fifth Charterer or the Sixth Charterer does not exercise any of the extension options (such that the charter period is shorter than 15 years), it shall exercise the corresponding Purchase Option to purchase the relevant Vessel.

### ***Charter-hire***

The charter-hire payable by the Fifth Charterer and the Sixth Charterer, respectively, to the Fifth Owner and the Sixth Owner, respectively, consists of:

- (1) an Advance Charter-hire, which shall be deemed to have been paid by the reduction of the same amount from the purchase price payable from the relevant Owner to the relevant Charterer under the corresponding Memorandum of Agreement;
- (2) a Pre-delivery Rebate Fee payable on each Payment Date in arrears from the date of the first instalment made by the relevant Owner under the First Memorandum of Agreement and the Second Memorandum of Agreement, respectively, up to and including the relevant Delivery Date, each such instalment being equal to the Pre-delivery Rebate Rate multiplied by the aggregate of the instalments paid by the relevant Owner under the First Memorandum of Agreement and the Second Memorandum of Agreement, respectively, at the time of such payment; and
- (3) a Post-delivery Charter-hire payable on each Payment Date commencing from the Delivery Date, being the aggregate of the amount calculated by multiplying USD9,540 by the number of days in the Hire Period; such aggregate amount represents the remaining acquisition costs of the relevant Vessel after deducting the Advance Charter-hire, in addition to an interest rate on such amount.

### ***Purchase Option***

Subject to the Fifth Bareboat Charter and the Sixth Bareboat Charter, the corresponding Charterer shall have the Purchase Option to purchase the relevant Vessel on and from the second anniversary of the Delivery Date on the relevant Purchase Option Date at the applicable Purchase Option Price.

Subject to the Fifth Bareboat Charter and the Sixth Bareboat Charter, on the 15th anniversary of the Delivery Date (assuming all extension options have been exercised), the relevant Charterer shall on the Final Purchase Option Date have the option to purchase from the relevant Owner all of the relevant Owner's beneficial and legal right,



title and interest in the corresponding Vessel and all belonging to her and the relevant Charterer shall pay USD13,000,000 on the Final Purchase Option Date thereto unless the relevant Owner agrees otherwise.

### ***Put options***

The Fifth Owner and the Sixth Owner, respectively, shall have the option to require the Fifth Charterer and the Sixth Charterer, respectively, to purchase the relevant Vessel at the Put Option Price if the corresponding Owner becomes aware that the initial sub-charter to be entered into in relation to the corresponding Vessel has expired (including due to the non-exercise of any extension options) or terminated prior to the end of the charter period.

If the Fifth Charterer, the Sixth Charterer and/or the Company have failed to arrange financing for certain vessels in the agreed form within the stipulated time period, the relevant Owner shall have the option to require the relevant Charterer to purchase the corresponding Vessel at the Put Option Price.

### ***Security documents***

In connection with each of the Fifth Bareboat Charter and the Sixth Bareboat Charter, the following Security Documents have been entered into:

- (1) a Pre-delivery Assignment executed by the corresponding Charterer in favour of the corresponding Owner in relation to the relevant Charterer's rights and interests in and to the shipbuilding contract in relation to the relevant Vessel dated 12 April 2023, among other things, the rights to reject or take delivery of the relevant Vessel and the rights to terminate the shipbuilding contract;
- (2) a General Assignment executed by the corresponding Charterer in favour of the corresponding Owner in relation to the relevant Charterer's rights and interest in and to, among other things, the earnings, insurances, requisition compensation and any sub-charters in respect of the relevant Vessel; and
- (3) a Share Security over the shares of the corresponding Charterer executed by its sole shareholder, Seacon Shipping Pte. Ltd., an indirect wholly owned subsidiary of the Company, in favour of the corresponding Owner,

to secure the obligations and liabilities and the performance by the Fifth Charterer and the Sixth Charterer, respectively, to the Fifth Owner and the Sixth Owner, respectively, under or in connection with the Fifth Bareboat Charter and the Sixth Bareboat Charter, respectively.

## ***Guarantee***

The Company has entered into a Guarantee in favour of each of the Fifth Owner and the Sixth Owner, pursuant to which the Company agreed to, among other things:

- (1) guarantee to the corresponding Owner the due payment of all amounts payable by the corresponding Charterer under the corresponding Leasing Documents, and undertake with the corresponding Owner to pay to it, immediately on its demands, any such amount which is not paid by the corresponding Charterer when due and payable;
- (2) guarantee to the corresponding Owner the punctual performance by the corresponding Charterer of all its obligations under or in connection with the corresponding Leasing Documents; and
- (3) undertake to indemnify the corresponding Owner immediately on its demand in respect of all documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the corresponding Owner as a result of or in connection with any obligation or liability of the corresponding Charterer under the corresponding Leasing Documents and/or any obligation or liability guaranteed by the Company being or becoming unenforceable, invalid, void or illegal.

## **Fee Letters**

In connection with the Fifth Bareboat Charter and Sixth Bareboat Charter, corresponding Fee Letters were also executed by the relevant Charterers in favour of the relevant Owners in relation to the upfront fee of USD316,000 in relation to each of the relevant Vessels.

## **USE OF PROCEEDS**

The net proceeds from the Finance Lease Arrangements will be used to finance the shipbuilding costs for the Fifth Vessel and the Sixth Vessel.

## **REASONS FOR AND BENEFITS OF THE BAREBOAT CHARTERS AND THE FINANCE LEASE ARRANGEMENTS**

The Bareboat Charters are in line with the ongoing strategy of the Group to expand its controlled vessel fleet by the addition of four heavy-lift multi-purpose vessels, diversifying the Group's controlled fleet while conserving capital flow. By the addition of the Four Vessels, the Group's shipping capacity for large equipment will increase, and the Company will be able to better meet market demand for its shipping services for large equipment, generating additional revenue and creating greater value and returns for the Shareholders.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Bareboat Charters, the Guarantees, the Security Documents and the Fee Letters are fair and reasonable and in the interests of the Shareholders as a whole.

The Group has historically financed the acquisition of controlled vessels and its operations through finance lease arrangements. The Finance Lease Arrangements enable the Group to obtain additional working capital as well as financing for the acquisition of the Fifth Vessel and the Sixth Vessel, which is in line with the ongoing strategy of the Group to optimize its vessel fleet by gradually phasing out its older controlled vessels and replacing them with newer vessels and expand its controlled vessel fleet. The Directors believe that through such fleet optimization, the Group will be able to enhance its competitiveness in the maritime shipping industry and to cope with the market demand for its shipping services.

According to the Hong Kong Financial Reporting Standards, the Finance Lease Arrangements are accounted for as financing arrangements and therefore would not give rise to any gain or loss. It is expected that the total assets of the Group will increase to reflect the cash to be received from the proceeds of the Finance Lease Arrangements and the total liabilities of the Group will increase to reflect the repayment obligations of the Group under the Finance Lease Arrangements.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Finance Lease Arrangements are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company, the Group and the Charterers**

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.

All Charterers are companies incorporated in Liberia with limited liability and indirect wholly owned subsidiaries of the Company. All Charterers are principally engaged in vessel holding and the provision of chartering services.

## **The Owners**

All Owners are companies incorporated in Hong Kong with limited liability which are principally engaged in finance leasing business. All Owners are ultimately wholly owned by CMG, a state wholly-owned enterprise established under the laws of the PRC under the direct control of the State-owned Assets Supervision and Administration Commission of the State Council, which is principally engaged in transportation and logistics, comprehensive finance, comprehensive development of cities and parks. In recent years, its operation has been extended to emerging sectors such as big health and testing services.

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

## **LISTING RULES IMPLICATIONS**

Since the Bareboat Charters were entered into with the Four Owners, which are all wholly owned subsidiaries of CMG, the charter of the Four Vessels under the Bareboat Charters shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Bareboat Charters, when aggregated, exceeds 25% but is less than 100%, the Bareboat Charters constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since the Finance Lease Arrangements were entered into with the Fifth Owner and the Sixth Owner, which are both wholly owned subsidiaries of CMG, the Finance Lease Arrangements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Finance Lease Arrangements, when aggregated, exceeds 25% but is less than 100%, the Finance Lease Arrangements constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements. As such, no Shareholder is required to abstain from voting if a general meeting of the Company is to be convened for the approval of the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements from the Closely Allied Group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). The Closely Allied Group comprises the following Shareholders:

<b>Name of the Shareholders</b>	<b>Number of Shares interested</b>	<b>Percentage of shareholding</b>
Jin Qiu Holding Ltd. <sup>(Note 1)</sup>	247,500,000	49.5%
Jin Chun Holding Ltd. <sup>(Note 2)</sup>	11,250,000	2.25%
Jovial Alliance Limited <sup>(Note 2)</sup>	30,000,000	6.0%

*Notes:*

1. The entire share capital of Jin Qiu Holding Ltd. is held by Shining Friends Limited, which is wholly owned by Tricor Equity Trustee Limited, the trustee of The J&Y Trust, which was established by Mr. Guo Jinkui (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members.
2. Both Jin Chun Holding Ltd. and Jovial Alliance Limited are directly wholly owned by Mr. Guo Jinkui.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Bareboat Charters and the Finance Lease Arrangements has been satisfied in lieu of a Shareholders' general meeting of the Company.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further details of the Bareboat Charters, the Finance Lease Arrangements and the transactions contemplated thereunder; and (ii) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 11 January 2024.

## DEFINITIONS

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

“Advance Charter-hire”	USD2,080,000 payable on the Delivery Date
“Bareboat Charters”	four bareboat charters entered into between the Four Charterers and the Four Owners in connection with the Four Vessels
“Board”	the board of Directors
“Breakfunding Costs”	all breakfunding costs and expenses incurred or payable by the corresponding Owner when a repayment or prepayment under the relevant funding arrangement entered into by the Owner for the purpose of financing the purchase price of the relevant Vessel falls on a day prior to the last day of a Hire Period or prior to a purchase option date (if relevant) or prior to a date specified by the Owner in any termination notice under the relevant Bareboat Charter
“Charterer(s)”	the Four Charterers, the Fifth Charterer and the Sixth Charterer
“Closely Allied Group”	a closely allied group of the Shareholders comprising Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited which together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement)
“CMG”	China Merchants Group Limited, a state wholly-owned enterprise established under the laws of the PRC
“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)
“Delivery Date”	the date of delivery of the corresponding Vessel by the relevant Owner to the relevant Charterer
“Directors”	the director(s) of the Company
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions

“Fee Letter(s)”	the fee letters in relation to the Vessels
“Fifth Bareboat Charter”	the bareboat charter in relation to the Fifth Vessel
“Fifth Charterer”	SEACON NINGDE LTD., a company incorporated in Liberia with limited liability and an indirect wholly owned subsidiary of the Company
“Fifth Owner”	OCEAN BULK 2301 LIMITED, a company incorporated in Hong Kong with limited liability
“Fifth Vessel”	a 62,000 dwt general dry cargo vessel under construction by the Shipbuilder
“Final Purchase Option Date”	the 15th anniversary of the Delivery Date
“First Finance Lease Arrangement”	the finance lease arrangement in relation to the Fifth Vessel
“First Memorandum of Agreement”	the memorandum of agreement entered into between the Fifth Charterer and the Fifth Owner in respect of the sale and purchase of the Fifth Vessel under the First Finance Lease Arrangement
“First Payment Date”	the 15th day of the calendar month after the Delivery Date
“First Pre-delivery Rebate Payment Date”	the date one month from the date of payment of the first instalment under the Shipbuilding Contract (in the case of the Four Vessels) or the Memorandum of Agreements (in the case of the Fifth Vessel and Sixth Vessel)
“Four Charterers”	SEACON WUHU LTD., SEACON SUZHOU LTD., SEACON HEFEI LTD., and SEACON GUANGZHOU LTD., each of them being a company incorporated in Liberia with limited liability and an indirect wholly owned subsidiary of the Company
“Four Owners”	OCEAN BULK 2303 LIMITED, OCEAN BULK 2304 LIMITED, OCEAN BULK 2305 LIMITED and OCEAN BULK 2306 LIMITED, each of them being a company incorporated in Hong Kong with limited liability and wholly owned by CHINA MERCHANTS FINANCIAL LEASING (HONG KONG) HOLDING CO. LIMITED

“Four Vessels”	Four 62,000 dwt heavy-lift multi-purpose vessels to be constructed by the Shipbuilder
“General Assignments”	deeds of assignment executed by the Charterers in favour of the Owners respectively in relation to the assignment of the Charterers’ rights and interest in and to, among other things, the earnings, insurances, requisition compensation and any sub-charters in respect of the Vessels
“Group”	the Company and its subsidiaries
“Guarantees”	the deeds of guarantee executed by the Company in favour of the Owners
“Hire Period”	<p>(a) for the first Hire Period in relation to the Pre-delivery Rebate Fee, the period commencing on the First Pre-delivery Rebate Payment Date and ending on each subsequent Payment Date;</p> <p>(b) in the case of each subsequent Payment Date in relation to the Pre-delivery Rebate Fee, the period commencing on the last day of the preceding Hire Period and ending on the next occurring Payment Date;</p> <p>(c) in the case of the first Hire Period in relation to the Post-delivery Charter-hire, the period commencing on the Delivery Date and ending on the First Payment Date; and</p> <p>(d) in the case of each subsequent Payment Date in relation to the Post-delivery Charter-hire, the period commencing on the last day of the preceding Hire Period and ending on the next occurring Payment Date</p>
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leasing Documents”	the corresponding Bareboat Charters, or the Fifth Bareboat Charter or the Sixth Bareboat Charter (as appropriate), the Guarantees, the Shipbuilding Contracts (in the case of the Bareboat Charters) or the Memorandum of Agreements (in the case of the Finance Lease Arrangements), the Fee Letters, any quiet enjoyment agreement in favour of the Charterers and/or any sub-charterers, the Security Documents and any other document so designated as agreed between the relevant Charterers and Owners



“Liberia”	the Republic of Liberia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement(s)”	the First Memorandum of Agreement and the Second Memorandum of Agreement
“Owner(s)”	the Four Owners, the Fifth Owner and the Sixth Owner
“Payment Date”	<p>(a) in relation to the Pre-delivery Rebate Fee, the first instalment of charter-hire shall be payable on the date falling one month from the date of payment of the first instalment under the relevant Shipbuilding Contract (in the case of the Four Vessels) or the relevant Memorandum of Agreement (in the case of the Fifth Vessel and Sixth Vessel) by the corresponding Owners and each subsequent instalment of charter-hire shall be payable on the date falling one month after such date with the final instalment of charter-hire in relation to the Pre-delivery Rebate Fee payable on the Delivery Date;</p> <p>(b) in relation to the Post-delivery Charter-hire, the first instalment of charter-hire shall be payable on the date falling on the First Payment Date; and</p> <p>(c) each subsequent instalment of charter-hire (other than the last instalment of charter-hire) shall be payable monthly thereafter, with the final instalment of charter-hire payable on the last day of the relevant charter period</p>
“Post-delivery Charter-hire”	has the meaning ascribed to it in the section headed “Bareboat Charters — Charter-hire”
“PRC”	the People’s Republic of China
“Pre-delivery Assignments”	deeds of assignment executed by the Charterers in favour of the Owners respectively in relation to the assignment of the Charterers’ rights and interests in and to the Shipbuilding Contracts and the shipbuilding contracts in relation to the Fifth Vessel and the Sixth Vessel both dated 12 April 2023
“Pre-delivery Rebate Fee”	the pre-delivery rebate fee payable in respect of the Vessels

“Pre-delivery Rebate Rate”	the aggregate of (a) the applicable term SOFR for one month as of 5:00 p.m. New York time on the corresponding quotation day for dollars, subject to changes pursuant to the Bareboat Charter if no such term SOFR is available, and (b) the margin of 1.70% per annum
“Purchase Option(s)”	the options granted to the Charterers to purchase the Vessels at the applicable Purchase Option Price
“Purchase Option Date(s)”	the date to exercise the Purchase Options as specified in a written notice provided by the relevant Charterer three months in advance
“Purchase Option Price”	<p>the aggregate of the following in respect of the corresponding Vessel:</p> <ul style="list-style-type: none"> <li>(a) (i) USD39,500,000 minus (ii) the aggregate Post-delivery Charter-hire which has been paid by the relevant Charterer (“<b>Owner’s Costs</b>”) prevailing as at the relevant Purchase Option Date;</li> <li>(b) the relevant fee (if applicable) up to 0.5% of the Owner’s Costs depending on the relevant date;</li> <li>(c) any charter-hire accrued but unpaid as at the date of payment of the Purchase Option Price;</li> <li>(d) any Breakfunding Costs;</li> <li>(e) any documented legal or other costs incurred by the relevant Owner in connection with the exercise of the Purchase Option; and</li> <li>(f) any other moneys due and owing under the corresponding Leasing Documents at the relevant Purchase Option Date</li> </ul>
“Put Option Price”	<p>the aggregate of the following in respect of the corresponding Vessel:</p> <ul style="list-style-type: none"> <li>(a) the prevailing Owner’s Costs as at the relevant date;</li> <li>(b) any charter-hire accrued and unpaid as at the date of payment of the Put Option Price;</li> </ul>

- (c) any Breakfunding Costs including any net amount payable by the relevant Owner as a result of the termination or close-out of any derivative transaction entered into in connection with the corresponding Leasing Documents;
- (d) any and all documented costs, losses and liabilities reasonably incurred by the relevant Owner as a result of the exercise of the put option; and
- (e) any other moneys due and owing under the corresponding Leasing Documents at the relevant date including any default interest on amounts under (a)–(d) above

“Second Finance Lease Arrangement”	the finance lease arrangement in relation to the Sixth Vessel
“Second Memorandum of Agreement”	the memorandum of agreement entered into between the Sixth Charterer and the Sixth Owner in respect of the sale and purchase of the Sixth Vessel under the Second Finance Lease Arrangement
“Security Documents”	the corresponding General Assignment, Share Security, Pre-delivery Assignment, letter of undertaking to be executed by the approved manager in favour of the relevant Owner subordinating the rights of that approved manager against the relevant Vessel and the relevant Charterer to the rights of the relevant Owner, document creating charge(s) over the relevant operating account, to which all earnings in connection to the relevant Vessel shall be paid, executed in favour of the relevant Owner(s), and any other security documents granted as security for the obligations of the Charterers under or in connection with the relevant Bareboat Charter
“Share Security(ies)”	the deeds of charge over the shares of the Charterers executed by their sole shareholder, Seacon Shipping Pte. Ltd., an indirect wholly owned subsidiary of the Company, in favour of the Owners
“Shareholders”	holders of the Shares
“Shares”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Shipbuilder”	Huang Hai Shipbuilding Company Limited* (黄海造船有限公司), a company established in the PRC with limited liability

“Shipbuilding Contract(s)”	the four shipbuilding contracts entered into by the Four Owners and the Four Charterers, as co-buyers, with the Shipbuilder in respect of the acquisition of the Four Vessels
“Sixth Bareboat Charter”	the bareboat charter in relation to the Sixth Vessel
“Sixth Charterer”	SEACON SHENZHEN LTD., a company incorporated in Liberia with limited liability and an indirect wholly owned subsidiary of the Company
“Sixth Owner”	OCEAN BULK 2302 LIMITED, a company incorporated in Hong Kong with limited liability
“Sixth Vessel”	a 62,000 dwt general dry cargo vessel under construction by the Shipbuilder
“SOFR”	secured overnight financing rate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Vessel(s)”	the Four Vessels, the Fifth Vessel and the Sixth Vessel
“%”	per cent

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

Hong Kong, 18 December 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*