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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 TRANSACTION ACQUISITION OF TWO VESSELS

ACQUISITION OF TWO VESSELS

Reference is made to the announcement of the Company dated 18 February 2024 and the circular of the Company dated 23 February 2024 in relation to the Previous Shipbuilding Contracts.

The Board announces that on 15 April 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, and the Seller entered into two Shipbuilding Contracts, pursuant to which the Buyer agreed to purchase and the Seller agreed to sell two Vessels for an aggregate consideration of USD64,600,000.

LISTING RULES IMPLICATIONS

Since both the Shipbuilding Contracts and the Previous Shipbuilding Contracts were entered into with the same Seller, the acquisition of the Vessels under the Shipbuilding Contracts and the Previous Shipbuilding Contracts 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 acquisition of the Vessels under the Shipbuilding Contracts, when aggregated with the Previous Shipbuilding Contracts, exceeds 25% but is less than 100%, the acquisition of the Vessels under the Shipbuilding Contracts constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is 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 Shipbuilding Contracts. 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 Shipbuilding Contracts. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Shipbuilding Contracts 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 Shipbuilding Contracts 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 Shipbuilding Contracts 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 7 May 2024.

INTRODUCTION

Reference is made to the announcement of the Company dated 18 February 2024 and the circular of the Company dated 23 February 2024 in relation to the Previous Shipbuilding Contracts.

The Board announces that on 15 April 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, and the Seller entered into two Shipbuilding Contracts, pursuant to which the Buyer agreed to purchase and the Seller agreed to sell two Vessels for an aggregate consideration of USD64,600,000.

SHIPBUILDING CONTRACTS

The principal terms of the Shipbuilding Contracts are as follows:

Shipbuilding Contract 1

Date

15 April 2024 (after trading hours of the Stock Exchange)

Parties

The Buyer

The Seller

Asset to be acquired

Vessel 1, a 18,500 dwt chemical/oil tanker to be constructed and expected to be delivered on 31 December 2025

Consideration

USD32,300,000, which shall be paid by the Buyer to the Seller in six instalments as follows:

- (1) the first instalment of USD646,000 is payable within five banking days upon the execution of the Shipbuilding Contract 1;
- (2) the second instalment of USD2,584,000 is payable within five banking days upon the receipt of the first and second instalment refund guarantees;
- (3) the third instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and the cutting of the first steel plate of Vessel 1;
- (4) the fourth instalment of USD6,460,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and keel-laying of the first section of Vessel 1;
- (5) the fifth instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and launching of Vessel 1; and
- (6) the sixth instalment of USD16,150,000, subject to adjustments in accordance with the provisions in Shipbuilding Contract 1, is payable upon the delivery of Vessel 1.

Security

The Buyer shall, within 15 days after signing of Shipbuilding Contract 1, deliver to the Seller an irrevocable and unconditional letter of guarantee issued by the Company in favour of the Seller, pursuant to which the Company shall guarantee the Buyer's performance of the obligations to pay the second, third, fourth and fifth instalments of the consideration under Shipbuilding Contract 1.

Shipbuilding Contract 2

Date

15 April 2024 (after trading hours of the Stock Exchange)

Parties

The Buyer

The Seller

Asset to be acquired

Vessel 2, a 18,500 dwt chemical/oil tanker to be constructed and expected to be delivered on 31 March 2026

Consideration

USD32,300,000, which shall be paid by the Buyer to the Seller in six instalments as follows:

- (1) the first instalment of USD646,000 is payable within five banking days upon the execution of the Shipbuilding Contract 2;
- (2) the second instalment of USD2,584,000 is payable within five banking days upon the receipt of the first and second instalment refund guarantees;
- (3) the third instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and the cutting of the first steel plate of Vessel 2;
- (4) the fourth instalment of USD6,460,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and keel-laying of the first section of Vessel 2;
- (5) the fifth instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and launching of Vessel 2; and
- (6) the sixth instalment of USD16,150,000, subject to adjustments in accordance with the provisions in Shipbuilding Contract 2, is payable upon the delivery of Vessel 2.

Security

The Buyer shall, within 15 days after signing of Shipbuilding Contract 2, deliver to the Seller an irrevocable and unconditional letter of guarantee issued by the Company in favour of the Seller, pursuant to which the Company shall guarantee the Buyer's performance of the obligations to pay the second, third, fourth and fifth instalments of the consideration under Shipbuilding Contract 2.

BASIS FOR DETERMINATION OF CONSIDERATION

The respective consideration was determined after arm's length negotiations between the Buyer and the Seller taking into account the (i) quotation provided by other shipyards for the construction of new vessels of similar type, size and delivery schedule; (ii) the consideration payable by the Company for the acquisition of other vessels of similar type, size and delivery schedule; and (iii) quality of services and industry reputation of the Seller. The Seller has a paid-up capital of over RMB770 million and has approximately 600 employees, and has obtained ISO9001 (Quality Management) and OHSAS18001 (Occupational Health & Safety Management) certifications. It is principally engaged in ship building and reparation and is ultimately owned by Fujian Shipbuilding, a state-owned enterprise managed by the Fujian SASAC. Fujian Shipbuilding is principally engaged in ship and marine engineering equipment construction and reparation and has a paid-up capital of approximately RMB1.43 billion.

It is currently expected that the consideration will be funded by internal resources of the Group and external financing from financial or other institutions. No proceeds from the listing of the Shares will be used to pay for the consideration.

REASONS AND BENEFITS OF THE ACQUISITION OF THE VESSELS

The acquisition of the Vessels under the Shipbuilding Contracts 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, as well as to expand the Group's controlled vessel fleet.

The continuing conflicts and disruption in oil-producing nations in the Middle East since October 2023 have prompted increased demand for oil transportation. This elevated demand has been reflected in the rise of the Baltic Clean Tanker Index since the third quarter of 2023. Further, the management of the Company is of the view that the market conditions supporting the demand for chemical products will improve, leading to a greater global demand for logistics services in relation to chemical products. By increasing the number of chemical/oil tankers, the Group's shipping capacity for oil and chemical products will increase, and the Company will be able to better meet market demand for its shipping services for oil or chemical products, generating additional revenue and creating greater value and returns for the Shareholders. The Directors

believe that through acquisition of the Vessels, 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.

In addition, the Vessels are more fuel-efficient and of higher operational efficiency than certain existing chemical/oil tankers of the Group which the Group seeks to gradually phase out, which would meet the latest environmental regulations and prevailing specification requirements in the shipping industry.

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

INFORMATION OF THE PARTIES

The Company, the Group and the Buyer

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 Buyer is a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. It is principally engaged in shipping operation and investment holding.

The Seller

The Seller is a limited liability company established under the laws of the PRC. The Seller is principally engaged in ship building and reparation. As at the date of this announcement, the Seller is wholly-owned by Fujian Chuanzheng Shipbuilding Industry Co., Ltd.* (福建船政重工股份有限公司), whose parent company and single largest shareholder is Fujian Shipbuilding, which in turn is a state-owned enterprise managed by the Fujian SASAC. Fujian Shipbuilding is principally engaged in ship and marine engineering equipment construction and reparation, and has a paid-up capital of approximately RMB1.43 billion.

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

Since both the Shipbuilding Contracts and the Previous Shipbuilding Contracts were entered into with the same Seller, the acquisition of the Vessels under the Shipbuilding Contracts and the Previous Shipbuilding Contracts 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 acquisition of the Vessels under the Shipbuilding Contracts, when aggregated with the Previous Shipbuilding Contracts, exceeds 25% but is less than 100%, the acquisition of the Vessels under the Shipbuilding Contracts constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is 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 Shipbuilding Contracts. 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 Shipbuilding Contracts. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Shipbuilding Contracts 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:

Name of the Shareholders	Number of Shares interested	Percentage of shareholding
Jin Qiu Holding Ltd. ^(Note 1)	247,500,000	49.5%
Jin Chun Holding Ltd. ^(Note 2)	11,250,000	2.25%
Jovial Alliance Limited ^(Note 2)	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 Shipbuilding Contracts 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 Shipbuilding Contracts 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 7 May 2024.

DEFINITIONS

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

“Board”	the board of Directors
“Buyer”	Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“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)
“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
“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
“Fujian SASAC”	the State-owned Assets Supervision and Administration Commission of the People’s Government of Fujian Province* (福建省人民政府國有資產監督管理委員會)
“Fujian Shipbuilding”	Fujian Shipbuilding Industry Group Company Limited* (福建省船舶工業集團有限公司), a state-owned enterprise managed by Fujian SASAC
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Shipbuilding Contracts”	the shipbuilding contracts as disclosed in the announcement of the Company dated 18 February 2024 and the circular of the Company dated 23 February 2024
“PRC”	the People’s Republic of China

“Seller”	Fujian Southeast Shipbuilding Co., Ltd.* (福建東南造船有限公司), a limited liability company established under the laws of the PRC
“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
“Shipbuilding Contract 1”	the Shipbuilding Contract entered into between the Buyer and the Seller in respect of the sale and purchase of Vessel 1
“Shipbuilding Contract 2”	the Shipbuilding Contract entered into between the Buyer and the Seller in respect of the sale and purchase of Vessel 2
“Shipbuilding Contracts”	Shipbuilding Contract 1 and Shipbuilding Contract 2
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Vessel 1”	a 18,500 dwt chemical/oil tanker to be constructed under the Shipbuilding Contract 1
“Vessel 2”	a 18,500 dwt chemical/oil tanker to be constructed under the Shipbuilding Contract 2
“Vessels”	Vessel 1 and Vessel 2
“%”	per cent

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

Hong Kong, 15 April 2024

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*