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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 DISPOSAL OF A VESSEL

DISPOSAL OF A VESSEL

The Board announces that on 12 July 2024 (after trading hours of the Stock Exchange), the Seller, an indirect wholly-owned subsidiary of the Company, and the Buyer entered into the Agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel for a consideration of USD13,800,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal calculated with reference to Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Disposal 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 12 July 2024 (after trading hours of the Stock Exchange), the Seller, an indirect wholly-owned subsidiary of the Company, and the Buyer entered into the Agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel for a consideration of USD13,800,000.

THE DISPOSAL

The principal terms of the Agreement are as follows:

Date

12 July 2024 (after trading hours of the Stock Exchange)

Parties

The Buyer and the Seller

Subject matter

The Vessel, a 33,054 gross tonnage bulk carrier built in 2010 by COSCO ZHOUSHAN SHIPYARD CO., LTD.

Set out below are the net profits (both before and after taxation) attributable to the Vessel for the years ended 31 December 2022 and 2023:

	Year ended 31 December	
	2022	2023
	<i>(USD in thousands, audited)</i>	
Net profits (loss) before and after taxation	1,079	(210)

Under the Agreement, the Vessel shall be delivered to the Buyer between 1 August 2024 and 15 October 2024, i.e. the Delivery Date. The Buyer shall have the option of cancelling the Agreement if the Vessel is not ready for delivery by the Delivery Date.

Consideration

USD13,800,000, which shall be paid by the Buyer to the Seller in the manner as follows:

- (1) the deposit of USD2,070,000 is payable to an escrow account within three banking days after the Agreement has been signed and the escrow account has been opened; and
- (2) on delivery of the Vessel but no later than three banking days after the date that the notice of readiness regarding the Vessel has been given, the balance of USD11,730,000 shall be paid in full to the Seller's account.

The consideration was determined after arm's length negotiations between the Buyer and the Seller taking into account (1) the purchase price offered by another potential buyer for the Vessel, (2) the price of recently reported sale of second hand bulk carriers with similar size and year of build conducted in the market and (3) by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of built in the market.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal of the Vessel is in line with the ongoing strategy of the Group to optimize its vessel fleet by maintaining a well-balanced portfolio of the vessel fleet. The Directors consider that the Disposal represents an opportunity to dispose of the Vessel at a reasonable price, which will enable the Group to enhance its working capital position, further strengthen its liquidity, and provide funding for the acquisition of new vessels to optimize the Group's fleet portfolio. The Company will continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate.

In light of the above, the Directors believe that the terms of the transaction contemplated under the Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company, the Group and the Seller

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 is a company incorporated in the Marshall Islands, which is an indirect wholly-owned subsidiary of the Company. It is principally engaged in vessel holding and the provision of chartering services.

The Buyer

The Buyer is a company incorporated in Indonesia with limited liability, which is principally engaged in coal mining.

As at the date of this announcement, the Buyer is owned as to 50% by Mr. Tan Dharmaji.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for Mr. Tan Dharmaji, there is no other ultimate beneficial owner controlling one-third or more of the Buyer, and the Buyer and its ultimate beneficial owners including Mr. Tan Dharmaji and other shareholders of the Buyer are third parties independent of the Company and its connected persons.

FINANCIAL EFFECTS OF THE DISPOSAL

The Group expects to record a gain from the Disposal (after tax and expenses) of approximately USD6.5 million, which is estimated by the Group based on the difference between the amount of the proceeds expected to be obtained from the Disposal (after deducting the associated cost and tax of the Disposal) and the expected net asset value of the Vessel of approximately USD6.8 million as at September 2024. The actual gain from the Disposal can only be determined at the completion of the Disposal based on the actual net asset value of the Vessel and is subject to audit.

USE OF PROCEEDS

The net proceeds from the Disposal will be used to finance potential acquisition of vessels and as general working capital of the Group. As at the date of this announcement, the Company has not identified any potential targets of vessels for acquisition.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal 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:

“Agreement”	the memorandum of agreement dated 12 July 2024 entered into between the Buyer and the Seller in relation to the Disposal
“Board”	the board of Directors
“Buyer”	PT Primatama Energi Mandiri, a company incorporated in Indonesia with limited liability

“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”	has the meaning ascribed to it in the section headed “The Disposal — Subject matter”
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Vessel pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indonesia”	the Republic of Indonesia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marshall Islands”	the Republic of the Marshall Islands
“PRC”	the People’s Republic of China
“Seller”	Seacon Peru Limited, a company incorporated in the Marshall Islands and an indirect wholly-owned subsidiary of the Company
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States
“Vessel”	SEACON YANTAI, a 33,054 gross tonnage bulk carrier built in 2010

“%”

per cent

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

Hong Kong, 12 July 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.