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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 FINANCE LEASE ARRANGEMENTS

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the “Definitions” section of this circular.

A letter from the Board is set out on pages 9 to 20 of this circular.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Finance Lease Arrangements from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders’ approval requirement in respect of the transactions contemplated under the Finance Lease Arrangements has been satisfied in lieu of a Shareholders’ general meeting of the Company. This circular is being despatched to the Shareholders for information only.

23 August 2024

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DEFINITIONS

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

“Advance Hire”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Hire”
“AVIC”	AVIC Industry-Finance Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600705)
“Balloon Amount”	being an amount equivalent to the lower of USD15,000,000 and 46.5% of the market value based on valuation reports not earlier than 30 days before the Delivery Date
“Bareboat Charter(s)”	the Four Bareboat Charters and the Two Bareboat Charters
“Board”	the board of Directors
“Break Costs”	all costs, losses, premiums or penalties incurred by the relevant Owner among the Four Owners as a result of, among others, the receipt by the Four Owners of any payment under or in relation to the Transaction Documents on a day other than the due date for payment of a relevant sum
“Breakfunding Costs”	all breakfunding costs and expenses incurred or payable by the relevant Two Owners of any payment under or in relation to the Leasing Documents on a day prior to the due date for payment of a relevant sum
“Charter Period”	the period of 120 months commencing from the Delivery Date
“Charterer(s)”	the Four Charterers and the Two Charterers
“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 Latest Practicable Date)
“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)
“Creditor Party(ies)”	the Four Owners, the Security Trustee, any new creditor party and receiver or delegate of the Security Trustee
“Deed of Guarantee I”	the deed of guarantee executed by the Company in favour of the Security Trustee in relation to the Finance Lease Arrangements I

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“Deed of Guarantee II”	the deed of guarantee entered into by the Company in favour of the Two Owners in relation to the Finance Lease Arrangements II
“Delivery Date(s)”	the date of delivery of the corresponding Vessel by the relevant Owner to the relevant Charterer
“Director(s)”	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
“Final Purchase Option Price”	USD14,500,000
“Finance Lease Arrangement(s)”	Finance Lease Arrangements I and Finance Lease Arrangements II
“Finance Lease Arrangement(s) I”	the finance lease arrangements in relation to the Four Vessels
“Finance Lease Arrangement(s) II”	the finance lease arrangements in relation to the Two Vessels
“First MOA Instalment”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Consideration”
“Fixed Hire I”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements I — Hire”
“Fixed Hire II”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Hire”
“Four Bareboat Charter(s)”	four bareboat charters entered into between the Four Charterers and the Four Owners in connection with the Four Vessels
“Four Charterers”	GOLDEN BANYAN LTD, GOLDEN CEDAR LTD, GOLDEN MAPLE LTD and GOLDEN OLIVE LTD, corporations incorporated under the laws of Liberia, in relation to each of the Four Vessels

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“Four Memoranda of Agreement”	the four memoranda of agreement, each entered into between Seacon Shipping and the corresponding Owner among the Four Owners in respect of the sale and purchase of the relevant Vessel among the Four Vessels under the corresponding Finance Lease Arrangement I in relation to each of the Four Vessels
“Four Owners”	BRIGHT CHEMONE SHIPPING LIMITED, BRIGHT CHEMTWO SHIPPING LIMITED, BRIGHT CHEMTHREE SHIPPING LIMITED and BRIGHT CHEMFOUR SHIPPING LIMITED
“Four Vessels”	four 18,500dwt oil/chemical tankers under construction acquired by the Group on 18 February 2024 pursuant to four shipbuilding contracts
“Group”	the Company and its subsidiaries
“Hire II”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Hire”
“Hire Payment Date”	(a) in relation to the Pre-delivery Hire I, for each three months’ period until the Delivery Date, the last of period; (b) in relation to the Pre-delivery Hire II, the last date of the first Hire Period; (c) in relation to the hire for each Hire Period, the last day of that Hire Period; and (d) in relation to the Balloon Amount, the last day of the Charter Period
“Hire Period”	(a) for the first Hire Period, three months’ period commencing on the Delivery Date; and (b) in relation to each and every successive Hire Period, each and every consecutive three months’ period commencing upon the expiration of the immediately previous Hire Period, provided that the last (40th) Hire Period shall end on the expiry day of the Charter Period
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“Interest Rate I”	the rate of interest applicable for each three months’ period until the Delivery Date or Hire Period or other relevant time period, being the percentage rate per annum which is the aggregate of the applicable term SOFR as of three United States Government Securities business days before the first day of that period for a period of three months, or as otherwise determined pursuant to the relevant Four Bareboat Charter, and the margin 2.3% per annum
“Interest Rate II”	the rate of interest applicable for each three months’ period until the Delivery Date or Hire Period or other relevant time period, being the aggregate of (a) a margin of 2.2% per annum and (b) the applicable term SOFR as of two business days before the first day of the relevant Hire Period, or as otherwise determined in accordance with the Two Bareboat Charters
“Latest Practicable Date”	22 August 2024
“Leasing Documents”	the corresponding Two Bareboat Charters, Two Memoranda of Agreement, Deed of Guarantee II, Security Documents II and such other documents designated as such by the Two Owners and the Two Charterers from time to time
“Liberia”	the Republic of Liberia
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 29 March 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum(a) of Agreement”	the Four Memoranda of Agreement and the Two Memoranda of Agreement
“MOA Delivery Instalment”	the Net Purchase Price minus the aggregate amount of the pre-delivery instalments which has been paid by each of the Two Owners under the relevant memorandum among the Two Memoranda of Agreement
“Net Purchase Price”	USD26,945,000
“Obligors”	Seacon Shipping, the Four Charterers, the Company, the approved managers, any co-assured and any party (other than the Four Owners and the Security Trustee) to a Transaction Document
“Original Principal”	USD27,455,000

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“Outstanding Principal”	the Original Principal as may be reduced by payment of Fixed Hire I or prepayment
“Owner(s)”	the Four Owners and the Two Owners
“PRC”	the People’s Republic of China
“Pre-delivery Hire I”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements I — Hire”
“Pre-delivery Hire II”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Hire”
“Pre-delivery Instalment Balance”	the aggregate of the instalments paid by each of the Two Owners under the relevant memorandum among the Two Memoranda of Agreement (other than the MOA Delivery Instalment) prior to the Delivery Date
“Pre-delivery Owners’ Cost”	at any time prior to the Delivery Date, the aggregate amount of all instalments which the Four Owners have paid pursuant to the relevant memorandum among the Four Memoranda of Agreement
“Prospectus”	the prospectus of the Company dated 14 March 2023
“Purchase Option Date I”	any business day as specified in the purchase option notice served in accordance with the terms of the corresponding Four Bareboat Charter, which shall fall on or after the second anniversary of the Delivery Date
“Purchase Option Date II”	any date as specified in the purchase option notice served in accordance with the terms of the corresponding Two Bareboat Charter which shall fall on or after the second anniversary of the Delivery Date
“Purchase Option Price I”	the aggregate of the following in respect of each of the Four Vessels: (a) the Outstanding Principal as at the Purchase Option Date I; (b) the applicable fee up to 1% of the Outstanding Principal depending on the relevant Purchase Option Date I; (c) any Variable Hire I which has accrued but unpaid up to the Purchase Option Date I;

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- (d) all unpaid sums due and payable together with any interest accrued thereon from the due date for payment thereof up to the date of actual payment;
 - (e) Break Costs (if any); and
 - (f) all legal costs and expenses and other reasonable costs and expenses incurred by the relevant Owner among the Four Owners relating to exercise of the purchase option
- “Purchase Option Price II” the aggregate of the following in respect of each of the Two Vessels:
- (a) the Two Owners’ Costs prevailing as at the relevant Purchase Option Date II;
 - (b) the applicable fee up to 1% of the Two Owners’ Costs depending on the relevant Purchase Option Date II;
 - (c) any Hire II accrued but unpaid as at the Purchase Option Date II;
 - (d) any Breakfunding Costs including any amount payable or costs incurred by the relevant Two Owners as a result of the termination or close-out of any derivative transaction entered into in connection with the Leasing Documents;
 - (e) any documented legal or other costs incurred by the relevant Two Owners relating to the exercise of the purchase option; and
 - (f) any other sums due and owing under the Leasing Documents as at the Purchase Option Date II
- “Seacon Shipping” Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
- “Security Documents I” has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements I — Security Documents”
- “Security Documents II” has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Security Documents”
- “Security Trustee” BRIGHT CHEMONE SHIPPING LIMITED, a company incorporated in Liberia with limited liability

DEFINITIONS

“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
“Singapore”	the Republic of Singapore
“SOFR”	secured overnight financing rate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suyin”	Suyin Financial Leasing Co., Ltd, a company incorporated in PRC with limited liability
“Transaction Document(s)”	the corresponding Four Bareboat Charters, the Four Memoranda of Agreement, the assignment agreement in respect of the builder’s warranty under the building contract, the Security Documents I and any other documents as may in good faith be designated as such by the relevant Owner among the Four Owners from time to time
“Two Bareboat Charter(s)”	two bareboat charters entered into between the Two Charterers and the Two Owners in connection with the Two Vessels
“Two Charterers”	SEACON LIVERPOOL LTD. and SEACON MONACO LTD., corporations incorporated under the laws of Liberia, in relation to each of the Two Vessels
“Two Memoranda of Agreement”	two memoranda of agreement, each entered into between Seacon Shipping and the corresponding Owner among the Two Owners in respect of the sale and purchase of the relevant Vessel among the Two Vessels under the corresponding Finance Lease Arrangement II in relation to each of the Two Vessels
“Two Owner(s)”	SUYIN BLUE WHALE NO.6 (TIANJIN) SHIP LEASING CO., LTD. And SUYIN BLUE WHALE NO.7 (TIANJIN) SHIP LEASING CO., LTD., corporations incorporated under the laws of PRC, in relation to each of the Two Vessels
“Two Owners’ Costs”	on any relevant date, the amount of Net Purchase Price minus the aggregate amount of Fixed Hire II and Variable Hire II which has been paid by the Two Charterers and received by the Two Owners as at such date
“Two Vessel(s)”	two 42,200dwt bulk carriers under construction acquired by the Group on 25 April 2023 pursuant to two shipbuilding contracts

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“USD”	United States dollars, the lawful currency of the United States of America
“Variable Hire I”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements I — Hire”
“Variable Hire II”	has the meaning ascribed to it in the section headed “FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Hire”
“Vessel(s)”	the Four Vessels and the Two Vessels
“%”	per cent

* *For identification purposes only*



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)

Executive Directors:

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Mr. Chen Zekai
Mr. He Gang
Mr. Zhao Yong

Registered office in the Cayman Islands:

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Cricket Square
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Cayman Islands

Independent Non-executive Directors:

Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Principal place of business in the PRC:

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No. 20 Zhuzhou Road
Laoshan District, Qingdao City
Shandong Province
the PRC

23 August 2024

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTIONS
FINANCE LEASE ARRANGEMENTS**

I. INTRODUCTION

References are made to (1) the announcement of the Company dated 21 June 2024 in relation to the Finance Lease Arrangements I; and (2) the announcement of the Company dated 28 June 2024 in relation to the Finance Lease Arrangements II.

On 21 June 2024 (after trading hours of the Stock Exchange), Seacon Shipping and the Four Charterers, being indirect wholly-owned subsidiaries of the Company, and the corresponding Four Owners, entered into the Finance Lease Arrangements I, respectively, pursuant to which (1) Seacon Shipping agreed to sell the relevant Four Vessels to the corresponding Four Owners, each for a consideration of USD27,455,000 under the corresponding memorandum among the Four Memoranda of Agreement; (2) each of the Four Owners agreed to charter the relevant Vessel among the Four Vessels to the corresponding Four Charterer, respectively, under the relevant Four Bareboat Charter; and (3) the Company entered into the Deed of Guarantee I in favour of the Security Trustee.

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On 28 June 2024 (after trading hours of the Stock Exchange), Seacon Shipping and the Two Charterers, being indirect wholly-owned subsidiaries of the Company, and the corresponding Two Owners, entered into the Finance Lease Arrangements II, respectively, pursuant to which (1) Seacon Shipping agreed to sell the relevant Two Vessels to the corresponding Two Owners, each for a consideration of USD31,700,000 under the corresponding memorandum among the Two Memoranda of Agreement; (2) each of the Two Owners agreed to charter the relevant Vessel among the Two Vessels to the corresponding Two Charterer, respectively, under the relevant Two Bareboat Charter; and (3) the Company entered into the Deed of Guarantee II in favour of the Two Owners.

The purpose of this circular is to provide you with information in relation to the Finance Lease Arrangements.

II. FINANCE LEASE ARRANGEMENTS

A. Finance Lease Arrangements I

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

Date

21 June 2024 (after trading hours of the Stock Exchange)

Parties

Seacon Shipping, as the seller under the Four Memoranda of Agreement

The Four Charterers, as the charterers under the relevant Four Bareboat Charters

The Four Owners, as the corresponding buyers under the Four Memoranda of Agreement and as the owners under the relevant Four Bareboat Charters

Subject matter

The Four Vessels, each being an 18,500dwt oil/chemical tanker under construction acquired by the Group on 18 February 2024 pursuant to four shipbuilding contracts. For details, please refer to the announcement and circular of the Company dated 18 February 2024 and 23 February 2024, respectively. As the Four Vessels are still under construction, no profit was generated by them for the two financial years immediately preceding the Finance Lease Arrangements I, respectively.

Consideration

Under each of the Four Memoranda of Agreement and subject to the terms therein, the respective consideration for the sale of each of the relevant Four Vessels is USD27,455,000. Such consideration is payable by the relevant Owner among the Four Owners to the builder in four instalments in the amounts of

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USD3,230,000, USD6,460,000, USD3,230,000 and USD14,535,000 respectively according to the payment schedule pursuant to the relevant building contract, which is based on the milestones with respect to the construction, launching and delivery of the relevant Four Vessels.

The consideration was determined after arm's length negotiations between each of the Four Owners and the corresponding Four Charterers respectively, taking into account the acquisition cost of the Four Vessels, namely USD32,300,000 each, and that the Group, having regard to its financing needs, is of the view that no more than USD27,455,000 of financing is required for each of the Vessels.

Charter period

120 months commencing from the Delivery Dates, which are expected to be on or before 31 July 2025, 30 November 2025, 28 February 2026 and 31 May 2026 for the Four Vessels respectively

Hire

Subject to the terms of the relevant Four Bareboat Charters, the hire payable by each of the Four Charterers to the corresponding Owner among the Four Owners consists of:

- (1) a pre-delivery hire ("**Pre-delivery Hire I**"), in respect of each three months' period until the Delivery Date, the aggregate of the interest accrued on the Pre-delivery Owners' Cost for each day during the relevant period and calculated on the basis of a year of 360 days at the applicable Interest Rate I;
- (2) a fixed hire ("**Fixed Hire I**"), in respect of each Hire Period, an amount equivalent to 1/40 of the difference between the Original Principal and the Balloon Amount;
- (3) a variable hire ("**Variable Hire I**") in respect of each Hire Period, the interest accrued on the Outstanding Principal on the immediately preceding Hire Payment Date (or, in the case of the first Hire Payment Date only, the Original Principal) for each day during the relevant Hire Period and calculated on the basis of a year of 360 days at the applicable Interest Rate I; and
- (4) a Balloon Amount, payable on the applicable Hire Payment Date, namely the last day of the Charter Period.

The Company is of the view that the Interest Rate I applicable to the Finance Lease Arrangements I is fair and reasonable and is in the interest of the Company and the Shareholders as a whole, which is determined after arm's length

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negotiations between the Four Owners and the Four Charterers with reference to the usual interest rate in other existing or previous finance lease arrangements of the Company and the prevailing market interest rate.

The Company is of the view that the Balloon Amount is fair and reasonable and is in the interest of the Company and the Shareholders as a whole, which was determined after arm's length negotiations between the Four Owners and the Four Charterers taking into account (1) the acquisition cost of USD32,300,000 for the acquisition of each of the Four Vessels and the expected aggregate amount payable with respect to the corresponding Pre-delivery Hire I, Fixed Hire I and Variable Hire I, whereby the Balloon amount represents the Outstanding Principal of the Finance Lease Arrangements I at the end of the Charter Period; (2) the usual interest rate in other existing or previous finance lease arrangements of the Company and the prevailing market interest rate, which is comparable to Interest Rate I; and (3) the Four Charterers are entitled to purchase the corresponding Four Vessels against the full payment of all amounts payable to the Four Owners under the Transaction Documents, including the corresponding Balloon Amounts.

Purchase Options and obligations

Subject to the terms of the relevant Four Bareboat Charter, the corresponding Charterer among the Four Charterers may exercise the purchase option to purchase the relevant Vessel among the Four Vessels on and from the second anniversary of the Delivery Date on the relevant Purchase Option Date I at the applicable Purchase Option Price I.

Irrespective whether the Four Charterers have exercised the said purchase option, the Four Charterers shall be obligated to purchase the corresponding Four Vessels from the Four Owners on the last day of the Charter Period against the full payment of all amounts payable to the Four Owners under the Transaction Documents.

Security documents

In connection with each of the Four Bareboat Charters, the following security documents ("**Security Documents I**") have been or will be entered into:

- (1) a charterer's assignment executed by the corresponding Four Charterers in favour of the Security Trustee in relation to the relevant Four Charterer's rights and interests in and to earnings, insurances, requisition compensation and certain sub-charters (if any);
- (2) Deed of Guarantee I;
- (3) a manager's undertaking by each of the approved manager in favour of the Security Trustee;

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- (4) a pre-delivery assignment executed by Seacon Shipping in favour of the Security Trustee in relation to certain of Seacon Shipping's rights and interest in and to (among other things) of the relevant building contract and the refund guarantee issued by the refund guarantor in favour of Seacon Shipping;
- (5) a security trust deed executed by the Security Trustee, the Four Owners, the Four Charterers, Seacon Shipping and the Company in relation to the Creditor Parties' appointment of the Security Trustee to hold their benefits under the Security Documents I and any additional security documents;
- (6) the security documents under the Four Bareboat Charters; and
- (7) any other document that may at any time be executed creating, evidencing or perfecting any security interest to secure the Obligors' obligations under or in connection with the Transaction Documents.

Guarantee

The Company has entered into the Deed of Guarantee I for the respective Four Vessels in favour of the Security Trustee for the Creditor Parties, pursuant to which the Company agreed to, among other things:

- (1) guarantee to the corresponding Creditor Parties the due and punctual performance and observance by the corresponding Obligors of the terms and conditions of all Transaction Documents, and undertake that if and whenever any of the Obligors defaults, the Company shall on demand cause the performance of those obligations;
- (2) guarantee the due and punctual payment of all moneys fall due to be paid by any of the corresponding Obligors under or pursuant to any Transaction Documents, and undertake that whenever any of the Obligors does not pay any such amount when due, the Company shall immediately on demand pay that amount; and
- (3) undertake to indemnify the corresponding Creditor Parties immediately on demand against any costs, charges, expenses, claims, liabilities, losses, duties and fees suffered or incurred by that Creditor Party, as a result of any breach or non-performance of, or non-compliance by any of the Obligors with any of its respective obligations under or pursuant to any Transaction Documents or as a result of any of those obligations being or becoming void, voidable, unenforceable, invalid or illegal.

Use of proceeds

The net proceeds from the Finance Lease Arrangements I will be used to finance the shipbuilding costs for the Four Vessels.

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B. Finance Lease Arrangements II

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

Date

28 June 2024 (after trading hours of the Stock Exchange)

Parties

Seacon Shipping, as the seller under the Two Memoranda of Agreement

The Two Charterers, as the charterers under the relevant Two Bareboat Charters

The Two Owners, as the corresponding buyers under the Two Memoranda of Agreement and as the owners under the relevant Two Bareboat Charters

Subject matter

The Two Vessels, each being a 42,200dwt bulk carrier under construction acquired by the Group on 25 April 2023 pursuant to two shipbuilding contracts. For details, please refer to the announcement and circular of the Company dated 25 April 2023 and 24 May 2023, respectively. As the Two Vessels are still under construction, no profit was generated by them for the two financial years immediately preceding the Finance Lease Arrangements II.

Consideration

Under each of the Two Memoranda of Agreement and subject to the terms therein, the respective consideration for the sale of each of the relevant Two Vessels is USD31,700,000. Such consideration is payable by the relevant Two Owners as follows:

- (1) USD4,755,000 deemed paid to Seacon Shipping, the payment obligation of which shall be set off against the amount of Advance Hire payable by each of the Two Charterers to the corresponding Two Owners under the relevant Two Bareboat Charter;
- (2) USD4,695,000 (“**First MOA Instalment**”) to Seacon Shipping and USD3,150,000 either to Seacon Shipping or directly to the builder at the election of Seacon Shipping, on the date after the cutting of the first plate and the launching of the relevant Two Vessels, respectively; and
- (3) USD19,100,000 to be deposited with the builder’s bank, which shall be released to the builder upon the signing of the protocol of delivery and acceptance of the relevant Vessel among the Two Vessels under the corresponding shipbuilding contract.

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The consideration was determined after arm's length negotiations between each of the Two Owners and the corresponding Two Charterer respectively, taking into account the acquisition cost of the Two Vessels and the financing need of the Group.

Charter period

120 months commencing from the Delivery Dates, which are expected to be on or before 30 June 2025 and 30 September 2025 for the Two Vessels respectively

Hire

The hire ("**Hire**") payable by each of the Two Charterers to the corresponding Two Owners consists of:

- (1) an advance hire ("**Advance Hire**") of USD4,755,000 deemed to be paid by setting off against the relevant consideration receivable under item (1) in the paragraph headed "FINANCE LEASE ARRANGEMENTS — Finance Lease Arrangements II — Consideration";
- (2) a pre-delivery hire ("**Pre-delivery Hire II**") payable on the pre-delivery Hire Payment Date, in respect of the period commencing from the date of the First MOA Instalment until the Delivery Date, being the interest accrued on the Pre-delivery Instalment Balance for each day during the relevant period and calculated on the basis of a year of 360 days at the applicable Interest Rate II;
- (3) a fixed hire ("**Fixed Hire II**") payable on each post-delivery Hire Payment Date, which equals to 1/40 of the difference between the Net Purchase Price and the Final Purchase Option Price; and
- (4) a variable hire ("**Variable Hire II**") payable on each post-delivery Hire Payment Date, being the interest accrued on the Two Owners' Costs on the immediately preceding Hire Payment Date (or, in the case of the first post-delivery Hire Payment Date only, on the Delivery Date) and calculated for the actual number of days during the Hire Period ending on the relevant post-delivery Hire Payment Date and on the basis of a year of 360 days at the applicable Interest Rate II.

The Company is of the view that the Interest Rate II applicable to the Finance Lease Arrangements II is fair and reasonable, which is determined after arm's length negotiations between the Two Owners and the Two Charterers with reference to the usual interest rate in other existing or previous finance lease arrangements of the Company, which is comparable to Interest Rate II.

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Purchase Options

Subject to the terms of the relevant Two Bareboat Charter, with prior written notice, the corresponding Two Charterer may exercise the purchase option to purchase the relevant Vessel among the Two Vessels on and from the second anniversary of the Delivery Date on the relevant Purchase Option Date II at the applicable Purchase Option Price II.

On the tenth anniversary of the Delivery Date, if the corresponding Two Charterer has not exercised the said purchase option, the relevant Two Charterer will have the final option to purchase the relevant Vessel among the Two Vessels at the Final Purchase Option Price.

Security documents

In connection with the Finance Lease Arrangements II, the following security documents (“**Security Documents II**”) have been or will be entered into:

- (1) a deed of assignment executed by each of the Two Charterers in favour of the corresponding Two Owners in relation to the relevant Two Charterer’s rights in the earnings, insurances and requisition compensation in respect of the relevant Two Vessels, as well as the assignable sub-charter under the Two Bareboat Charters;
- (2) a deed of charge over the shares in the Two Charterers executed by Seacon Shipping in favour of the Two Owners;
- (3) a pre-delivery assignment executed by Seacon Shipping in favour of the Two Owners in relation to certain of Seacon Shipping’s rights and interest in and to (among other things) of the relevant shipbuilding contract including the rights, remedies and benefits to which Seacon Shipping is or may be entitled under the shipbuilding contract with respect to any defect in the Two Vessels; and
- (4) a manager’s undertaking by each of the approved manager in favour of the relevant Two Owners.

Guarantee

The Company has entered into the Deed of Guarantee II in favour of the Two Owners, pursuant to which the Company agreed to, among other things:

- (1) guarantee to the Two Owners the due payment of all amounts payable and punctual performance by each of the Two Charterers and Seacon Shipping of all its obligations under each Leasing Documents to which it is a party;

LETTER FROM THE BOARD

- (2) undertake with the Two Owners that if the Two Charterers or Seacon Shipping does not pay any amount that is due and payable under or in connection with any Leasing Documents, the Company shall immediately on demand pay that amount as if it were the principal obligor; and
- (3) undertake to fully indemnify the Two Owners immediately on its demand in respect of all claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the Two Owners as a result of or in connection with any obligation or liability of the Two Charterers or Seacon Shipping under the Leasing Documents and/or any obligation or liability guaranteed by the Company being or becoming unenforceable, invalid, void or illegal.

Use of proceeds

The net proceeds from the Finance Lease Arrangements II will be used to finance the shipbuilding costs for the Two Vessels.

III. REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS

The Group has historically financed the acquisition of controlled vessels through finance lease arrangements. The Finance Lease Arrangements enable the Group to obtain financing for the acquisition of the Vessels, 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.

LETTER FROM THE BOARD

IV. INFORMATION OF THE PARTIES

The Company, the Group, Seacon Shipping 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.

Seacon Shipping is a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. It is principally engaged in vessel holding and the provision of chartering 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

The Four Owners are all companies incorporated in Liberia with limited liability which are principally engaged in finance leasing business. All Four Owners are controlled as to over two-thirds by AVIC, a company listed on the Shanghai Stock Exchange (stock code: 600705).

The Two Owners are both companies established in PRC with limited liability which are principally engaged in finance leasing business. Both Two Owners are wholly-owned subsidiaries of Suyin, which is owned as to approximately 51.25% by Bank of Jiangsu Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600919).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other ultimate beneficial owner controlling one-third or more of the Owners, and the Owners and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

V. FINANCIAL EFFECT OF THE FINANCE LEASE ARRANGEMENTS

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.

LETTER FROM THE BOARD

VI. LISTING RULES IMPLICATIONS

Since the Finance Lease Arrangements I were entered into with the Four Owners, which are all non-wholly owned subsidiaries of AVIC, the Finance Lease Arrangements I 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 I, when aggregated, exceeds 25% but is less than 75%, the Finance Lease Arrangements I 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 II were entered into with the Two Owners, which are both wholly-owned subsidiaries of Suyin, the Finance Lease Arrangements II 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 Finance Lease Arrangements II, when aggregated, exceeds 25% but is less than 75%, the Finance Lease Arrangements II 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 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 Finance Lease Arrangements. The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under 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 Latest Practicable Date). 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.

LETTER FROM THE BOARD

- 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 Finance Lease Arrangements has been satisfied in lieu of a Shareholders' general meeting of the Company.

VII. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Finance Lease Arrangements are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Finance Lease Arrangements from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Finance Lease Arrangements has been satisfied in lieu of a Shareholders' general meeting of the Company.

Nonetheless, the Directors would recommend the Shareholders to vote in favour of the resolutions approving the transactions contemplated under the Finance Lease Arrangements if a general meeting were to be convened by the Company.

VIII. GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

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

1. FINANCIAL SUMMARY

Details of the financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 were disclosed in the following documents which have been published on both the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) as follows:

- the accountant's report of the Group for the year ended 2021 as set out in Appendix I to the Prospectus (pages I-4 to I-104) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0314/2023031400009.pdf>)
- the annual report of the Group for the year ended 31 December 2022 published on 28 April 2023 (pages 70 to 163) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800027.pdf>)
- the annual report of the Group for the year ended 31 December 2023 published on 26 April 2024 (pages 70 to 165) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603651.pdf>)

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at the close of business on 30 June 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

	<i>Notes</i>	<i>USD'000</i> <i>(Unaudited)</i>
Short-term borrowings	1	
— Unsecured		<u>10,016</u>
Non-current portion of long-term borrowings	1	
— Secured		239,491
— Unsecured		<u>54</u>
<i>Sub-total</i>		<u>239,545</u>
Current portion of long-term borrowings	1	
— Secured		24,571
— Unsecured		<u>10</u>
<i>Sub-total</i>		<u>24,581</u>
Lease liabilities	2	
— Current		13,159
— Non-current		<u>35,709</u>
<i>Sub-total</i>		<u>48,868</u>
Guarantees		
Joint venture and associates		<u>94,642</u>
Total		<u><u>417,652</u></u>

Notes:

1. As at 30 June 2024, the Group had an aggregate outstanding borrowing of approximately USD274,142,000 comprising: (a) outstanding borrowings of approximately USD264,062,000 which are secured by vessels and buildings; and (b) outstanding borrowings of approximately USD10,080,000 which are unsecured.
2. As at 30 June 2024, the Group had lease liabilities of approximately USD48,868,000 in respect of long term bareboat charters, offices and warehouses.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have at the close of business on 30 June 2024 any other debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up.

4. SUFFICIENCY OF WORKING CAPITAL

As at the Latest Practicable Date, the Group has commenced negotiations with finance lease companies for entering into finance lease arrangements for six other vessels for an estimated total consideration of US\$59,784,000 (the “**Ongoing Arrangements**”). The Directors are of the opinion that the Group will be able to obtain such financing from the relevant finance lease companies and generate sufficient cash inflow from the sale of the six other vessels to the finance lease companies under the said finance lease arrangements. In the event that any of the abovementioned Ongoing Arrangements could not be effectively implemented or were not successful as expected, the Company will consider and seek for other appropriate alternative plan(s), including but not limited to potential equity or debt fund raising exercise, in order to ensure that the Group will have sufficient working capital. For the avoidance of doubt, the Directors are of the view that even if any of the Ongoing Arrangements could not be obtained, it would not render the Group not having sufficient working capital.

Taking into account the transactions contemplated under the Finance Lease Arrangements, the abovementioned Ongoing Arrangements and the financial resources available to the Group, including cash flow from operating activities, cash and cash equivalents, bank borrowings and finance lease arrangements normally available to the Group’s vessels, the Directors, after due and careful consideration, are of the opinion that the working capital available to the Group is sufficient for the Group’s requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP FOLLOWING THE FINANCE LEASE ARRANGEMENTS

In 2023, the Group has achieved a new milestone with the successful Listing. In the future, the Group will leverage its access to the capital market to actively expand and optimize its vessel fleet, setting up new offices in strategic locations and expand its current ship management operations, and adopt digital technologies and implement advanced information technology in its business operations, with a view to creating long-term value for the Shareholders.

As detailed in the section headed “III. Reasons for and benefits of the Finance Lease Arrangements” in the letter from the Board contained in this circular, the Group has historically financed the acquisition of controlled vessels through finance lease arrangements. The Finance Lease Arrangements enable the Group to obtain financing for the acquisition of the Vessels, 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.

As charter rates are influenced by various macro-economic factors, one of the main growth drivers for the Group is the expansion of its controlled vessel fleet and chartered-in vessel fleet and proactively improve its market share and competitiveness. In 2023, nine additional vessels of the Group were put into operation with an increased combined weight carrying capacity of 473,175dwt as compared with that at the end of 2022. As at the Latest Practicable Date, the Group has a controlled vessel fleet consisted of 29 vessels with a combined weight carrying capacity of approximately 1,390,000 dwt. As at the Latest Practicable Date, 21 vessels, which will constitute the Group’s controlled vessels after their delivery, are under construction, which will provide additional combined weight carrying capacity of 737,400 dwt. It is expected that four, nine, five and three of such vessels will be delivered in 2024, 2025, 2026 and 2027, respectively. The Company believes that the above initiatives are expected to significantly improve the Group’s shipping service ability.

The Baltic Dry Index (“**BDI**”) is an index of the daily average of international shipping prices of various dry bulk cargoes from key dry bulk routes published by The Baltic Exchange Limited in London, which is a main benchmark indicator of the market charter rates. The daily average BDI since the beginning of year 2024 up to 21 June 2024 and 28 June 2024 (being the dates of the Finance Lease Arrangements, respectively) is approximately 1,829.5 and 1,835.9, which are approximately 108.5% and 105.2% higher than the daily average BDI for the same period in 2019 of approximately 877.4 and 894.8, respectively, before the COVID-19 pandemic, and approximately 32.7% and 33.2% higher than the daily average BDI for the full year of 2023 of approximately 1,378.4, reflecting considerable profit potential.

In terms of demand for shipping services, it is expected to boost economic development and manufacturing and logistics activities both nationally and globally, and the shipping market is expected to be optimistic.

Following the Finance Lease Arrangements, the Group will continue its principal business of the provision of shipping services and ship management services.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Company

Name	Capacity/Nature of interest	Number of Shares held ^(Note 1)	Percentage of shareholding ^(Note 1)
Mr. Guo Jinkui (“ Mr. Guo ”) ^(Note 2)	Founder of a discretionary trust; Interest in controlled corporations	288,750,000	57.75%
Mr. Chen Zekai (“ Mr. Chen ”) ^(Note 3)	Founder of a discretionary trust; Interest in a controlled corporation	75,000,000	15.0%
Mr. Zhao Yong (“ Mr. Zhao ”) ^(Note 4)	Interest in a controlled corporation	7,500,000	1.5%
Mr. He Gang (“ Mr. He ”) ^(Note 5)	Interest in a controlled corporation	3,750,000	0.75%

Notes:

1. All interests stated are long positions.
2. The entire share capital of Jin Qiu Holding Ltd. (“**Jin Qiu**”) is wholly-owned by Shining Friends Limited (“**Shining Friends**”), which is wholly-owned by Tricor Equity Trustee Limited (“**Tricor Equity Trustee**”), the trustee of The J&Y Trust (“**The J&Y Trust**”), which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. (“**Jin Chun**”) and Jovial Alliance Limited (“**Jovial Alliance**”) are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in all the Shares held by Jin Qiu, Jin Chun and Jovial Alliance.

Mr. Guo, an executive Director, is also the director of each of Jin Qiu, Jin Chun and Jovial Alliance.

3. The entire share capital of Kaimei Holding Ltd. (“**Kaimei Holding**”) is wholly-owned by Oceanic Flame Limited (“**Oceanic Flame**”), which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust (“**The CZK Trust**”), which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding Ltd. (“**CZK Holding**”) is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in all the Shares held by Kaimei Holding and CZK Holding.

Mr. Chen, an executive Director, is also the director of each of Kaimei Holding and CZK Holding.

4. Ruigao Holding Ltd. (“**Ruigao Holding**”) is 100% beneficially owned by Mr. Zhao. Accordingly, Mr. Zhao is deemed to be interested in the 7,500,000 Shares held by Ruigao Holding under the SFO.

Mr. Zhao, an executive Director, is also the director of Ruigao Holding.

5. Passion Wealth Ltd. (“**Passion Wealth**”) is 100% beneficially owned by Mr. He. Accordingly, Mr. He is deemed to be interested in the 3,750,000 Shares held by Passion Wealth under the SFO.

Mr. He, an executive Director, is also the director of Passion Wealth.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code in the Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in the Company

Name	Capacity/Nature of interest	Number of Shares held ^(Note 1)	Percentage of shareholding ^(Note 1)
Tricor Equity Trustee ^(Note 2)	Trustee of trusts	318,750,000	63.75%
Shining Friends ^(Note 3)	Interest in a controlled corporation	247,500,000	49.5%
Jin Qiu ^(Note 3)	Beneficial owner	247,500,000	49.5%
Jovial Alliance ^(Note 3)	Beneficial owner	30,000,000	6.0%
Oceanic Flame ^(Note 4)	Interest in a controlled corporation	71,250,000	14.25%
Kaimei Holding ^(Note 4)	Beneficial owner	71,250,000	14.25%
Ms. Li Xuyue (“Ms. Li”) ^(Note 5)	Interest of spouse	288,750,000	57.75%
Ms. Chen Meimei (“Ms. Chen”) ^(Note 6)	Interest of spouse	75,000,000	15.0%

Notes:

1. All interests stated are long positions.
2. Tricor Equity Trustee is the trustee of The J&Y Trust and The CZK Trust, two trusts in total.
3. The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Tricor Equity Trustee, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun and Jovial Alliance are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in the 288,750,000 Shares held by Jin Qiu, Jin Chun and Jovial Alliance in aggregate.

4. The entire share capital of Kaimei Holding is wholly-owned by Oceanic Flame, which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in the 75,000,000 Shares held by Kaimei Holding and CZK Holding in aggregate.

5. Ms. Li is the spouse of Mr. Guo and is deemed, or taken to be, interested in all Shares in which Mr. Guo has interest in under the SFO.
6. Ms. Chen is the spouse of Mr. Chen and is deemed, or taken to be, interested in all Shares in which Mr. Chen has interest in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be, material:

- (a) a framework agreement and the supplemental agreements thereto dated 11 August 2023 entered into between the Company and 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) in respect of the sale and purchase of office buildings and parking slots for an aggregate consideration of RMB239,834,400;
- (b) a share transfer agreement dated 29 June 2023 entered into between Seacon Marine Pte. Ltd., Wealth & Glory Marine Pte. Ltd. and Seacon Enterprise Pte. Ltd. (“**Seacon Enterprise**”) in respect of the acquisition of 40% shareholding interest in Seacon Enterprise for the consideration of USD730,000;

- (c) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Huzhou Wuxing Tourism Development Co., Ltd.* (湖州吳興旅遊建設發展有限公司) (“**Huzhou Wuxing**”), Zhongtai International Capital Limited (“**Zhongtai Capital**”) and Zhongtai International Securities Limited (“**Zhongtai Securities**”), pursuant to which Huzhou Wuxing (through Orient Fund Management Co., Ltd.* (東方基金管理股份有限公司)) shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of USD12,000,000 divided by the offer price, as further described in the Prospectus;
- (d) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Guodian Shipping (Hong Kong) Company Limited (國電海運(香港)有限公司) (“**Guodian Shipping**”), Zhongtai Capital and Zhongtai Securities, pursuant to which Guodian Shipping shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of RMB20,000,000 divided by the offer price, as further described in the Prospectus;
- (e) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Danube Bridge Shipping Limited (“**Danube Bridge**”), Zhongtai Capital and Zhongtai Securities, pursuant to which Danube Bridge shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of USD1,500,000 divided by the offer price, as further described in the Prospectus;
- (f) a deed of non-competition dated 2 March 2023 and executed by each of the controlling shareholders of the Company in favour of the Company regarding certain non-competition undertakings, as further described in the Prospectus;
- (g) a deed of indemnity dated 2 March 2023 and executed by each of the controlling shareholders of the Company in favour of the Company regarding certain indemnities, as further described in the Prospectus;
- (h) a Hong Kong underwriting agreement dated 13 March 2023 entered into by the Company, the controlling shareholders of the Company, Zhongtai Capital, Zhongtai Securities and the underwriters relating to the Hong Kong public offering involving underwriting commissions of 3% of the aggregate offer price and a discretionary fee of up to 3% of the aggregate offer price under the Hong Kong public offering, as further described in the Prospectus; and
- (i) an international underwriting agreement dated 18 March 2023 entered into by the Company, the controlling shareholders of the Company, Zhongtai Capital, Zhongtai Securities and the underwriters relating to the international placing involving underwriting commissions of 3% of the aggregate offer price and a discretionary fee of up to 3% of the aggregate offer price under the international placing, as further described in the Prospectus.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

- (a) Four Bareboat Charters;
- (b) Four Memoranda of Agreement;
- (c) Security Documents I;
- (d) Deed of Guarantee I;
- (e) Two Bareboat Charters;
- (f) Two Memoranda of Agreement;
- (g) Security Documents II; and
- (h) Deed of Guarantee II.

9. MISCELLANEOUS

- (a) The Company's registered office is at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 23/F, Block B, Building 3, No. 20 Zhuzhou Road, Laoshan District, Qingdao City, Shandong Province, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at Unit No. 3513, 35/F, The Center, 99 Queen's Road Central, Hong Kong.
- (d) The branch share register and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (e) The joint company secretaries of the Company are Ms. Sun Yufeng and Ms. Chan Sze Ting. Ms. Chan Sze Ting is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and an Associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom.
- (f) In case of any inconsistency between English and Chinese versions of this circular, the English version shall prevail.