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## **Seacon Shipping Group Holdings Limited**

### **洲際船務集團控股有限公司**

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

**(Stock Code: 2409)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF SIX VESSELS**

### **ACQUISITION OF SIX VESSELS**

The Board announces that on 30 October 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, entered into six Novation Agreements with the Seller and the Original Buyer, pursuant to which the Original Buyer agreed to transfer to the Buyer all the rights and obligations under the original shipbuilding contracts, which shall be superseded by the Shipbuilding Contracts as annexed to the corresponding Novation Agreements, in relation to the six Vessels at nil consideration. Pursuant to the Shipbuilding Contracts, the Buyer agreed to purchase and the Seller agreed to sell six Vessels for an aggregate consideration of USD63,900,000. The Original Buyer has not made and will not make any instalment payments under the respective original shipbuilding contracts.

### **LISTING RULES IMPLICATIONS**

Since the Novation Agreements were entered into with the same Seller, the acquisition of the Vessels under the Novation Agreements and 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 Novation Agreements and Shipbuilding Contracts, when aggregated, exceeds 5% but is less than 25%, the acquisition of the Vessels under the Novation Agreements and Shipbuilding Contracts 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.

## NOVATION AGREEMENTS AND SHIPBUILDING CONTRACTS

The Board announces that on 30 October 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, entered into six Novation Agreements with the Seller and the Original Buyer, pursuant to which the Original Buyer agreed to transfer to the Buyer all the rights and obligations under the original shipbuilding contracts, which shall be superseded by the Shipbuilding Contracts as annexed to the corresponding Novation Agreements, in relation to the six Vessels at nil consideration. Pursuant to the Shipbuilding Contracts, the Buyer agreed to purchase and the Seller agreed to sell six Vessels for an aggregate consideration of USD63,900,000. The Original Buyer has not made and will not make any instalment payments under the respective original shipbuilding contracts.

The material terms of the Shipbuilding Contracts are as follows:

- Date*** : 30 October 2024
- Parties*** : The Buyer  
The Seller
- Asset to be acquired*** : The Vessels, six 5,200dwt multi-purpose dry cargo vessels to be constructed and expected to be respectively delivered on 30 March and 30 September 2026, 30 June and 30 September 2027, as well as 30 March 2027 for the remaining two Vessels.
- Consideration*** : USD10,650,000 for each of the Vessels, which shall be paid by the Buyer to the Seller in five instalments as follows:
- (1) the first instalment of USD1,065,000 is payable within seven banking days after the receipt of the corresponding instalment refund guarantee for the relevant Vessel;
  - (2) the second instalment of USD1,597,500 is payable within seven banking days after the receipt of the corresponding instalment refund guarantee and the steel cutting of the relevant Vessel has taken place;
  - (3) the third instalment of USD1,065,000 is payable within seven banking days after the receipt of the corresponding instalment refund guarantee and the keel-laying of the relevant Vessel has taken place;
  - (4) the fourth instalment of USD1,597,500 is payable within seven banking days after the receipt of the corresponding instalment refund guarantee and the launching of the relevant Vessel has taken place; and

- (5) the fifth instalment of USD5,325,000, subject to adjustments in accordance with the provisions in the corresponding Shipbuilding Contract, is payable upon the delivery of the relevant Vessel.

**Security** : The Buyer shall, within 20 days after due execution of the corresponding Novation Agreement, deliver to the Seller an irrevocable letter of guarantee in favour of the Seller, pursuant to which the Company shall guarantee the Buyer's due and punctual payment of all of the respective instalments.

## **BASIS FOR DETERMINATION OF CONSIDERATION**

Under the Novation Agreements and Shipbuilding Contracts, the respective consideration was determined after arm's length negotiations between the Buyer and the Seller taking into account the (i) quotations provided by other shipyards for the construction of new vessels of similar type, size and delivery schedule; (ii) price of newbuilding order of a vessel of similar type, size and delivery schedule as stated in the report published by a shipbroker; and (iii) quality of services and industry reputation of the Seller. As at the date of the announcement, the Seller has a paid-up capital of RMB500 million and over 900 employees, which is principally engaged in shipbuilding and marine engineering equipment construction. The Seller has construction capabilities spanning a variety of vessels, including 30,000-ton bulk carriers, container ships and multipurpose vessels tankers.

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 will be used to pay for the consideration.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE VESSELS**

The acquisition of the Vessels under the Novation Agreements and 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 Directors believe that the expansion of the Group's controlled vessel fleet will enhance the Group's capacity to undertake more customer requests and increase the competitiveness of its shipping solutions as the ability to secure business opportunities are dependent on the availability of the vessel fleet of the Group. It will also allow the Group to further attract potential business opportunities from larger market players who generally assess, among other things, the condition of the vessels and the size of the fleet when they select shipping services and ship management services providers.

In addition, the new Vessels are more fuel-efficient and of higher operational efficiency than the other dry cargo vessels of the Group currently in operation, which meets 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 Novation Agreements and Shipbuilding Contracts are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION ON 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 vessel holding and the provision of chartering services.

### **The Seller**

The Seller is a limited liability company established under the laws of the PRC. The Seller is principally engaged in shipbuilding and marine engineering equipment construction. As at the date of the announcement, the Seller has a paid-up capital of RMB500 million and over 900 employees. The Seller has construction capabilities spanning a variety of vessels, including 30,000-ton bulk carriers, container ships and multipurpose vessels tankers. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, the Seller's largest ultimate beneficial owner is Mr. He Xudong, while there is no ultimate beneficial owner controlling one-third or more of the Seller.

### **The Original Buyer**

The Original Buyer is a company incorporated and existing under the laws of the British Virgin Islands. The Original Buyer is principally engaged in vessel trading. The Original Buyer is ultimately wholly owned by Mr. Chen Yuetao (陳岳濤).

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

## LISTING RULES IMPLICATIONS

Since the Novation Agreements were entered into with the same Seller, the acquisition of the Vessels under the Novation Agreements and 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 Novation Agreements and Shipbuilding Contracts, when aggregated, exceeds 5% but is less than 25%, the acquisition of the Vessels under the Novation Agreements and Shipbuilding Contracts 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:

“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
“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
“Group”	the Company and its subsidiaries
“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

“Novation Agreement(s)”	six novation agreements dated 30 October 2024, entered into among the Buyer, the Seller and the Original Buyer, in relation to the transfer of all the rights and obligations under the original shipbuilding contracts to the Buyer in relation to the six Vessels
“Original Buyer”	UNION MARINE LIMITED, a company incorporated and existing under the laws of the British Virgin Islands, an independent third party
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Jiangsu Dajin Heavy Industry Co., Ltd.* (江蘇大津重工有限公司), a company incorporated under the laws of the PRC with limited liability
“Shareholder(s)”	holder(s) 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(s)”	the six shipbuilding contracts as annexed to the Novation Agreements in respect of the sale and purchase of the Vessels between the Buyer and the Seller
“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
“Vessels”	six 5,200dwt multi-purpose dry cargo vessels, each to be constructed respectively under each of the corresponding Novation Agreements and Shipbuilding Contracts
“%”	per cent

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

Hong Kong, 30 October 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*