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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 PROVISION OF GUARANTEES

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 5 to 11 of this circular.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Guarantees 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 Guarantees has been satisfied in lieu of a Shareholders’ general meeting of the Company. This circular is being despatched to the Shareholders for information only.

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DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 23 October 2024 entered into between the Parties in relation to Disposal
“Announcement”	the announcement of the Company dated 18 December 2023
“Board”	the board of Directors
“Charter Period”	<p>(i) in relation to the bareboat charters, three years commencing from the relevant delivery dates, which were expected to be 31 August 2025, 31 October 2025, 30 November 2025 and 31 December 2025 for the four relevant vessels, respectively. The charter periods may be extended, at the option of the relevant Target Companies, by four extension options (each being three years); and</p> <p>(ii) in relation to the finance lease arrangements, three years commencing from the relevant delivery dates, which were expected to be on or before 30 November 2024 and 31 December 2024 for the two relevant vessels, respectively. The charter period may be extended, at the option of the relevant Target Companies, by four extension options (each being three years). As at the Latest Practicable Date, one vessel has been delivered</p>
“Circular”	the circular of the Company dated 5 February 2024
“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)
“Counter Guarantees”	six counter guarantees executed by SeaKapital Holdings, the parent company of SeaKapital, in favour of the Company, pursuant to which SeaKapital Holdings agreed to pay to the Company 50% of any amount that the Company may have to pay under the Guarantees, which is in proportion with SeaKapital’s indirect interest in the Joint Venture
“Directors”	the director(s) of the Company

DEFINITIONS

“Disposal”	the disposal of the Target Companies by the Vendor to the Joint Venture as contemplated under the Agreement
“Expenses, Liabilities and Costs”	documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the corresponding Owner as a result of or in connection with any obligation or liability of the corresponding Target Company under the corresponding leasing documents and/or any obligation or liability guaranteed by the Company being or becoming unenforceable, invalid, void or illegal. Based on the information available to the Board as at the Latest Practicable Date, the Company expects that it can effectively monitor the performance of the obligations by the Joint Venture under the relevant bareboat charters and finance lease arrangements on the basis that the management decisions of the Joint Venture shall be jointly made by GH Kapital and SeaKapital, while major decisions of the Joint Venture require unanimous consent, such that any substantial Expenses, Liabilities and Costs are unlikely to be incurred. In addition, considering that SeaKapital Holdings has executed the Counter Guarantees, the Board expects that the risks of incurring other Expenses, Liabilities and Costs are manageable. However, in the unlikely event that other Expenses, Liabilities and Costs are incurred, with reference to the shipping industry’s practice that the usual insurance cover for similar transactions is approximately 110% of the financing principal, such Expenses, Liabilities and Costs under the Guarantees are estimated to be up to approximately USD23.7 million in aggregate, being 10% of the aggregate financing amount, based on the Board’s best estimation
“GH Kapital”	GH Kapital Holding Ltd, a company incorporated under the laws of the Marshall Islands with limited liability
“Group”	the Company and its subsidiaries
“Guarantees”	six guarantee agreements dated 18 December 2023 entered into by the Company in favour of the Owners, as disclosed in the Announcement and the Circular
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual or company who or which is to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company (as defined under the Listing Rules)

DEFINITIONS

“Joint Venture”	Continental Kapital MPP Holdings Limited, a company incorporated in the Marshall Islands with limited liability and an Independent Third Party
“Latest Practicable Date”	27 November 2024
“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
“Marshall Islands”	the Republic of the Marshall Islands
“Owner(s)”	collectively, OCEAN BULK 2301 LIMITED, OCEAN BULK 2302 LIMITED, OCEAN BULK 2303 LIMITED, OCEAN BULK 2304 LIMITED, OCEAN BULK 2305 LIMITED and OCEAN BULK 2306 LIMITED, each of them being a company incorporated in Hong Kong with limited liability
“Parties”	the parties to the Agreement, namely the Joint Venture and the Vendor
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SeaKapital”	SeaKapital Limited, a wholly-owned subsidiary of SeaKapital Holdings, a company incorporated and registered under the laws of Cayman Islands
“SeaKapital Holdings”	SeaKapital Holdings Ltd., a company incorporated and registered under the laws of Cayman Islands
“Shareholder’s Loan”	the loans advanced by the Group to the Target Companies
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Companies”	collectively, SEACON WUHU LTD., SEACON SUZHOU LTD., SEACON HEFEI LTD., SEACON GUANGZHOU LTD., SEACON NINGDE LTD. and SEACON SHENZHEN LTD., each of them being a company incorporated in Liberia with limited liability and an indirect wholly owned subsidiary of the Company
“United States”	The United States of America
“USD”	United States dollars, the lawful currency of the United States of America
“Vendor”	Seacon Shipping Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“%”	per cent



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:

Mr. Guo Jinkui (*Chairman*)
Mr. Chen Zekai
Mr. He Gang
Mr. Zhao Yong

Registered office in the Cayman Islands:

Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

Independent Non-executive Directors:

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

Principal place of business in the PRC:

23/F, Block B, Building 3
No. 20 Zhuzhou Road
Laoshan District, Qingdao City
Shandong Province
the PRC

29 November 2024

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
PROVISION OF GUARANTEES**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 23 October 2024 in relation to the provision of guarantees under the Guarantees.

On 23 October 2024, the Joint Venture entered into the Agreement with the Vendor, an indirect wholly-owned subsidiary of the Company, pursuant to which the Joint Venture has agreed to acquire and the Vendor has agreed to sell the entire shareholdings of the Target Companies for approximately USD11.3 million, being the aggregate amount of the Shareholder's Loan provided by the Group and the funds advanced by SeaKapital to the Target Companies in equal proportions, which has been used as part payment towards the purchase of vessels.

LETTER FROM THE BOARD

Prior to the Disposal, the Company provided the Guarantees for four bareboat charters and two finance lease arrangements entered into by the Target Companies in favour of the corresponding Owners. For further details on the Guarantees, bareboat charters and finance lease arrangements, please refer to the Announcement and Circular.

Since the bareboat charters and the finance lease arrangements shall continue following the Disposal, while the Target Companies will cease to be subsidiaries of the Company upon completion of the Disposal, the Guarantees will then constitute financial assistance provided by the Group to the Target Companies. The guaranteed amount under the above Guarantees in aggregate was up to the financing principal of approximately USD237 million, in addition to other Expenses, Liabilities and Costs. Apart from the Guarantees, the Group has also provided Shareholder's Loans of approximately USD5.6 million to the Target Companies.

As of the Latest Practicable Date, the Joint Venture is indirectly owned as to 50% by each of GH Kapital, an indirect wholly-owned subsidiary of the Company, and SeaKapital, an Independent Third Party. On 23 October 2024, SeaKapital Holdings, the parent company of SeaKapital, also executed the Counter Guarantees in favour of the Company, pursuant to which SeaKapital Holdings agreed to pay to the Company 50% of any amount that the Company may have to pay under the Guarantees, which is in proportion with SeaKapital's indirect interest in the Target Companies.

The purpose of this circular is to provide you with information in relation to the provision of guarantees under the Guarantees.

II. PROVISION OF GUARANTEES

On 23 October 2024, the Joint Venture entered into the Agreement with the Vendor, an indirect wholly-owned subsidiary of the Company, pursuant to which the Joint Venture has agreed to acquire and the Vendor has agreed to sell the entire shareholdings of the Target Companies for approximately USD11.3 million, being the aggregate amount of the Shareholder's Loan provided by the Group and the funds advanced by SeaKapital to the Target Companies in equal proportions, which has been used as part payment towards the purchase of vessels. As at the date of the Agreement, the vessels in relation to the relevant bareboat charters and finance lease arrangements were still under construction. As at the Latest Practicable Date, one vessel has been delivered. On completion, cash payment of approximately USD5.6 million, being 50% of the consideration, shall be contributed by SeaKapital on behalf of the Joint Venture, which may be set off against the equivalent amount which SeaKapital has already contributed to the Target Companies, while the remaining consideration shall be settled by the novation and transfer of the Shareholder's Loans by the Vendor to GH Kapital.

LETTER FROM THE BOARD

Prior to the Disposal, the Company provided the following Guarantees for four bareboat charters and two finance lease arrangements entered into by the Target Companies in favour of the corresponding Owners:

(i) four Guarantees with respect to the bareboat charters

In relation to the four Guarantees with respect to the bareboat charters, the guaranteed amount under each of the relevant Guarantees was up to the financing principal of approximately USD39.5 million, in addition to other Expenses, Liabilities and Costs. The relevant Guarantees shall remain in force from the date of the relevant Guarantees up to the last day of the Charter Period.

For further details on the relevant Guarantees and bareboat charters, please refer to the Announcement and Circular.

(ii) two Guarantees with respect to the finance lease arrangements

In relation to the two Guarantees with respect to the finance lease arrangements, the guaranteed amount under each of the relevant Guarantees was up to the financing principal of approximately USD39.5 million, in addition to other Expenses, Liabilities and Costs. The relevant Guarantees shall remain in force from the date of the relevant Guarantees up to the last day of the Charter Period.

For further details on the relevant Guarantees and finance lease arrangements, please refer to the Announcement and Circular.

Since the bareboat charters and the finance lease arrangements shall continue following the Disposal, while the Target Companies will cease to be subsidiaries of the Company upon completion of the Disposal, the Guarantees will then constitute financial assistance provided by the Group to the Target Companies. The guaranteed amount under the above Guarantees in aggregate was up to the financing principal of approximately USD237 million, in addition to other Expenses, Liabilities and Costs. Apart from the Guarantees, the Group has also provided Shareholder's Loans of approximately USD5.6 million to the Target Companies.

As of the Latest Practicable Date, the Joint Venture is indirectly owned as to 50% by each of GH Kapital, an indirect wholly-owned subsidiary of the Company, and SeaKapital, an Independent Third Party. On 23 October 2024, SeaKapital Holdings, the parent company of SeaKapital, also executed the Counter Guarantees in favour of the Company, pursuant to which SeaKapital Holdings agreed to pay to the Company 50% of any amount that the Company may have to pay under the Guarantees, which is in proportion with SeaKapital's indirect interest in the Target Companies.

SeaKapital is a ship owning and ship leasing company based in Hong Kong which is backed by its founders, Ms. Sabrina Chao and Mr. Kenneth Lam, and other substantial individual investors. Ms. Chao is the former Chairman of Wah Kwong Maritime Transport Holdings Limited ("Wah Kwong"). In 2002, Ms. Chao joined and developed the Wah Kwong group into a leading shipowner globally. Mr. Lam has been

LETTER FROM THE BOARD

the Managing Director and Head of Shipping and Offshore in Asia at Credit Agricole Corporate and Investment Bank (“CA-CIB”) until March 2023. He has also been the Chairman and Chief Executive Officer of Credit Agricole Asia Shipfinance Ltd., a wholly owned subsidiary of CA-CIB fully dedicated to providing a full range of financial and advisory services to the shipping industry.

Release of Existing Share Securities

As disclosed in the Announcement and the Circular, six share securities over the shares of the Target Companies were executed by the Group in favour of the Owners to secure the obligations and liabilities and the performance by the Target Companies under or in connection with the bareboat charters and the finance lease arrangements. The said share securities shall be released and replaced by the new share securities entered into by the Joint Venture on 23 October 2024.

III. REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEES

The Group is principally engaged in the provision of shipping services and ship management services.

The terms of the Guarantees were previously negotiated with the respective Owners when the Target Companies were held by the Group. The terms of the continuous provision of the Guarantees were negotiated on an arm’s length basis between the Joint Venture and the Vendor. The management of the Company is of the view that the provision of Guarantees enables the Target Companies to enter into finance lease arrangements to obtain working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Target Companies. Therefore, the provision of the Guarantees is critical for the continuing operation of the Target Companies, which the Group held 50% indirect interest therein. Meanwhile, pursuant to the Counter Guarantees executed by SeaKapital Holdings, the parent company of SeaKapital, it agreed to pay to the Company 50% of any amount that the Company may have to pay under the Guarantees, which is in proportion with SeaKapital’s indirect interest in the Target Companies.

Having considered (i) the reasons for and the Group’s benefits of the Target Companies continuing the bareboat charters and the finance lease arrangements following the Disposal; (ii) the Group’s exposure of the Guarantees, taking into account the Counter Guarantees, is in proportion to the Group’s indirect interest in the Target Companies; and (iii) SeaKapital’s financial strength and ability to perform its obligations under the Counter Guarantees, the Directors are of the view that the terms of the Guarantees are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

IV. INFORMATION ON THE PARTIES

The Company and the Group

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 Joint Venture

The Joint Venture is a company incorporated under the laws of the Marshall Islands with limited liability and an associate company of the Company, which is principally engaged in the acquiring, owning, selling, chartering in/out and operating of vessels. As of the Latest Practicable Date, the Joint Venture is indirectly owned as to 50% by each of GH Kapital, an indirect wholly-owned subsidiary of the Company, and SeaKapital, which is a wholly-owned subsidiary of SeaKapital Holdings. SeaKapital is a ship owning and ship leasing company based in Hong Kong which is backed by its founders, Ms. Sabrina Chao and Mr. Kenneth Lam, and other substantial individual investors. As of Latest Practicable Date, Sabrina Chao and Kenneth Lam, who are the founders of SeaKapital, ultimately own approximately 38.5% of SeaKapital in aggregate.

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 SeaKapital, and each of the Joint Venture and its ultimate beneficial owners is an Independent Third Party.

V. FINANCIAL EFFECT OF THE PROVISION OF GUARANTEES

The provision of guarantees will not have any immediate effect on the earnings, assets and liabilities of the Company on the date of the Guarantees. However, if the Target Companies fail to perform their obligations under the relevant bareboat charters or finance lease arrangements, the Company, as the guarantor, will be responsible for up to the financing principal of approximately USD237 million, in addition to other Expenses, Liabilities and Costs, and such amount of liabilities will be recorded in the Group's statement of financial position.

Save as disclosed above, the Directors are of the view that the provision of guarantees under the Guarantees will not have any material effects on the earnings, assets and liabilities of the Group.

LETTER FROM THE BOARD

VI. LISTING RULES IMPLICATIONS

Since the Guarantees and Shareholder's Loans are provided for the Target Companies which, upon completion of the Disposal, will become wholly owned subsidiaries of the Joint Venture and entered into within 12 months, the provision of guarantees under the Guarantees and Shareholder's Loans shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are less than 5%, the Disposal does not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of guarantees under the Guarantees, when aggregated with the Shareholder's Loans, are more than 25%, the provision of guarantees under the Guarantees constitutes a major transaction for 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 Guarantees. 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 Guarantees. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Guarantees 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.
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 Guarantees has been satisfied in lieu of a Shareholders' general meeting of the Company.

LETTER FROM THE BOARD

VII. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Guarantees 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 Guarantees 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 Guarantees 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 Guarantees 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 31 December 2021 as set out in Appendix I to the Prospectus (pages I-1 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 65 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 65 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 September 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:

	Notes	USD'000 (Unaudited)
Short-term borrowings	1	
— Unsecured		<u>10,016</u>
Non-current portion of long-term borrowings	1	
— Secured		232,120
— Unsecured		<u>52</u>
<i>Sub-total</i>		<u>232,172</u>
Current portion of long-term borrowings	1	
— Secured		24,987
— Unsecured		<u>11</u>
<i>Sub-total</i>		<u>24,998</u>
Lease liabilities	2	
— Current		11,950
— Non-current		<u>33,272</u>
<i>Sub-total</i>		<u>45,222</u>
Guarantees		
Joint venture and associates		<u>103,276</u>
Total		<u><u>415,684</u></u>

Notes:

1. As at 30 September 2024, the Group had an aggregate outstanding borrowing of approximately USD267,186,000 comprising (a) outstanding borrowings of approximately USD257,107,000 which are secured by vessels and buildings; and (b) outstanding borrowings of approximately USD10,079,000 which are unsecured.
2. As at 30 September 2024, the Group had lease liabilities of approximately USD45,222,000 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 September 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 three other vessels for an estimated total consideration of USD54,200,000 (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 three other vessels to the finance lease companies under the said finance lease arrangements.

Taking into account the provision of guarantees contemplated under the Guarantees, 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 PROVISION OF GUARANTEES

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 expanding its current ship management operations, adopting digital technologies and implementing 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 provision of guarantees” in the letter from the Board contained in this circular, the terms of the Guarantees were previously negotiated with the respective Owners when the Target Companies were held by the Group. The terms of the continuous provision of the Guarantees were negotiated on an arm’s length basis between the Joint Venture and the Vendor. The management of the Company is of the view that the provision of Guarantees enables the Target Companies to enter into finance lease arrangements to obtain working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Target Companies. Therefore, the provision of the Guarantees is critical for the continuing operation of the Target Companies, which the Group held 50% indirect interest therein. Meanwhile, pursuant to the Counter Guarantees executed by SeaKapital Holdings, the parent company of SeaKapital, it agreed to pay to the Company 50% of any amount that the Company may have to pay under the Guarantees, which is in proportion with SeaKapital’s indirect interest in the Target Companies.

Having considered (i) the reasons for and the Group’s benefits of the Target Companies continuing the bareboat charters and the finance lease arrangements following the Disposal; (ii) the Group’s exposure of the Guarantees, taking into account the Counter Guarantees, is in proportion to the Group’s indirect interest in the Target Companies; and (iii) SeaKapital’s financial strength and ability to perform its obligations under the Counter Guarantees, the Directors are of the view that the terms of the Guarantees are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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 Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (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 of HK\$40,875,000 and a discretionary fee of up to 3% of the aggregate offer price of HK\$40,875,000 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 of HK\$367,875,000 and a discretionary fee of up to 3% of the aggregate offer price of HK\$367,875,000 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 Guarantees and Agreement 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.

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.