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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 EXERCISE OF OPTION TO PURCHASE A VESSEL

EXERCISE OF OPTION TO PURCHASE A VESSEL

The Board announces that on 12 December 2024 (after trading hours of the Stock Exchange), the Charterer exercised the Purchase Option under the Bareboat Charter to purchase the Vessel from the Owner for a Purchase Option Price of approximately USD15 million. On the same day, the Owner, the Charterer, the Company and the Manager entered into the Deed, pursuant to which the Owner agreed to release the Charterer, the Company and the Manager from their respective obligations under the security documents, namely the Charterer's assignment of rights, earnings, insurance, compensation and the Manager's undertaking in favour of the Owner in relation to the Vessel, relating to the Bareboat Charter upon the receipt of the Purchase Option Price.

The Vessel acquired by the Charterer by exercising the Purchase Option shall be further delivered to the buyer in the Disposal as disclosed in the Company's Announcement dated 29 October 2024.

LISTING RULES IMPLICATIONS

Since the exercises of the Purchase Option and the Previous Purchase Options involved the acquisition of vessels from the respective owners, which are all wholly owned subsidiaries of AVIC, the acquisition of the vessels pursuant to the exercises of the Purchase Option and the Previous Purchase Options shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the exercise of Purchase Option calculated with reference to Rule 14.07 of the Listing Rules, when aggregated with the exercise of the Previous Purchase Options, exceeds 25% but is less than 100%, the exercise of the Purchase Option 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 exercise of the Purchase Option. 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 hereunder. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated hereunder from the Closely Allied Group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the exercise of the Purchase Option has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details on the exercise of the Purchase Option and the transaction contemplated thereunder; and (ii) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 7 January 2025.

INTRODUCTION

The Board announces that on 12 December 2024 (after trading hours of the Stock Exchange), the Charterer exercised the Purchase Option under the Bareboat Charter to purchase the Vessel from the Owner for a Purchase Option Price of approximately USD15 million. On the same day, the Owner, the Charterer, the Company and the Manager entered into the Deed, pursuant to which the Owner agreed to release the Charterer, the Company and the Manager from their respective obligations under the security documents, namely the Charterer's assignment of rights, earnings, insurance, compensation and the Manager's undertaking in favour of the Owner in relation to the Vessel, relating to the Bareboat Charter upon the receipt of the Purchase Option Price.

The Vessel acquired by the Charterer by exercising the Purchase Option shall be further delivered to the buyer in the Disposal as disclosed in the Announcement.

EXERCISE OF OPTION TO PURCHASE A VESSEL

The principal terms of the exercise of Purchase Option are as follows:

Date

12 December 2024

Parties

The Owner and the Charterer

Subject matter

The Vessel, a 36,357 gross tonnage bulk carrier built in 2019. For further details on the Vessel, please refer to the Announcement.

Consideration

The Purchase Option Price of approximately USD15 million, which shall be paid by the Charterer to the Owner after the Owner's delivery of the Vessel to the Charterer on the date specified in the notice for the exercise of the Purchase Option by the Charterer.

Pursuant to the Deed, upon the Owner's receipt of the full payment of the Purchase Option Price, the chartering of the Vessel under the Bareboat Charter shall terminate, and the Owner releases the Charterer, Company and Manager from their respective obligations under the security documents, namely the Charterer's assignment and the Manager's undertaking in favour of the Owner with respect to the Vessel, in relation to the Bareboat Charter.

The consideration was determined after arm's length negotiations between the Owner and the Charterer taking into account (1) the terms in relation to the calculation of the Purchase Option Price in the Bareboat Charter, (2) the purchase price of USD31,830,000 offered by the relevant buyer for the Vessel in the Disposal, (3) the price of recently reported sale of second hand bulk carriers with similar size and year of build conducted in the market, and (4) by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of built in the market.

REASONS FOR AND BENEFITS OF THE EXERCISE OF PURCHASE OPTION

As disclosed in the Announcement, the Charterer intended to dispose of the Vessel to the relevant buyer in the Disposal. The Vessel acquired by the Charterer by exercising the Purchase Option shall be further delivered to the buyer in the Disposal.

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

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

INFORMATION ON THE PARTIES

The Company, the Group and the Charterer

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

The Owner

The Owner is a company incorporated according to the laws of the Republic of Marshall Islands, which is principally engaged in leasing business. It is a wholly owned subsidiary of AVIC, a company listed on the Shanghai Stock Exchange (stock code: 600705).

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

LISTING RULES IMPLICATIONS

Since the exercises of the Purchase Option and the Previous Purchase Options involved the acquisition of vessels from the respective owners, which are all wholly owned subsidiaries of AVIC, the acquisition of the vessels pursuant to the exercises of the Purchase Option and the Previous Purchase Options shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the exercise of Purchase Option calculated with reference to Rule 14.07 of the Listing Rules, when aggregated with the exercise of the Previous Purchase Options, exceeds 25% but is less than 100%, the exercise of the Purchase Option 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 exercise of the Purchase Option. 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 hereunder. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated hereunder from the Closely Allied Group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). The Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares interested	Percentage of shareholding
Jin Qiu Holding Ltd. <i>(Note 1)</i>	247,500,000	49.5%
Jin Chun Holding Ltd. <i>(Note 2)</i>	11,250,000	2.25%
Jovial Alliance Limited <i>(Note 2)</i>	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 exercise of the Purchase Option has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details on the exercise of the Purchase Option and the transaction contemplated thereunder; and (ii) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 7 January 2025.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 29 October 2024
“AVIC”	AVIC Industry-Finance Holdings Co., Ltd., a company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 600705)
“Bareboat Charter”	the bareboat charter dated 4 January 2022 in relation to the charter of the Vessel by the Charterer from the Owner
“Board”	the board of Directors
“Charterer”	GOLDEN BRIDGE SHIPS LIMITED, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Closely Allied Group”	a closely allied group of the Shareholders comprising Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited which together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement)
“Company”	Seacon Shipping Group Holdings Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409)
“Deed”	the deed of termination, release and reassignment dated 12 December 2024 entered into among the Owner, the Charterer, the Company and the Manager, pursuant to which the Owner agreed to release the Charterer, the Company and the Manager from their respective obligations under the Security Documents, namely the Charterer’s assignment and the Manager’s undertaking in favour of the Owner in relation to the Vessel
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Vessel by the Charterer as disclosed in the Announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Seacon Ships Management Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Owner”	Bright Dictador Shipping Limited, the owner of the Vessel until the exercise of the Purchase Option
“PRC”	the People’s Republic of China
“Previous Purchase Options”	(1) the purchase option granted by Bright Flora Shipping Limited to Golden River Ships Limited to purchase a vessel as disclosed in the announcement of the Company dated 27 November 2024; (2) the purchase option granted by Bright Rizhao Shipping Limited to Seacon Rizhao Limited to purchase a vessel, which was exercised on 15 October 2024 at a purchase option price of approximately USD3 million; and (3) the purchase option granted by Bright Flax Shipping Limited to Golden Lavender Limited to purchase a vessel as disclosed in the announcement of the Company dated 3 June 2024
“Purchase Option”	the purchase option granted by the Owner to the Charterer to purchase the Vessel under the Bareboat Charter
“Purchase Option Price”	approximately USD15 million
“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
“United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States

“Vessel”	SEACON FUZHOU, a 36,357 gross tonnage bulk carrier built in 2019
“%”	per cent

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

Hong Kong, 12 December 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.