

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TRANSACTIONS DISPOSAL OF A VESSEL AND EXERCISE OF OPTION TO PURCHASE A VESSEL

THE DISPOSAL

The Board announces that on 16 January 2025 (after trading hours of the Stock Exchange), the Seller, an indirect wholly-owned subsidiary of the Company, and the Buyer entered into the Agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel for a consideration of USD19,900,000.

EXERCISE OF THE PURCHASE OPTION

The Vessel is currently chartered to the Seller under the Bareboat Charter from the Owner. The Seller intends to acquire the Vessel by exercising the Purchase Option pursuant to the terms of the Bareboat Charter by 31 December 2025 at the Purchase Option Price. The Vessel acquired by the Seller by exercising the Purchase Option shall be further delivered to the Buyer pursuant to the Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios in respect of the Disposal and the exercise of the Purchase Option calculated with reference to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Disposal and the exercise of the Purchase Option constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board announces that on 16 January 2025 (after trading hours of the Stock Exchange), the Seller, an indirect wholly-owned subsidiary of the Company, and the Buyer entered into the Agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel for a consideration of USD19,900,000.

The principal terms of the Agreement are as follows:

Date

16 January 2025 (after trading hours of the Stock Exchange)

Parties

The Buyer and the Seller

Subject matter

The Vessel, a 13,500dwt general cargo ship built in 2023.

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

	Year ended 31 December	
	2022	2023
	<i>(USD in thousands, audited)</i>	
Net profits before and after taxation	nil	185.2

According to the audited consolidated financial statement of the Group for the year ended 31 December 2023, the audited net book value of the Vessel as at 31 December 2023 was approximately USD17.7 million.

Under the Agreement, the Vessel shall be delivered to the Buyer before 1 January 2026, i.e. the Delivery Date. The Buyer shall have the option of cancelling the Agreement if the Vessel is not ready for delivery by the Delivery Date.

Consideration

USD19,900,000, which shall be paid by the Buyer to the Seller in the manner as follows:

- (1) the deposit of USD18,000,000 is payable to Seller's account within ten banking days after the Agreement has been signed, and a refund guaranteed letter being issued by the Company, whichever occurs later; and
- (2) the Buyer shall remit the balance of USD1,900,000, and all other sums payable on delivery into the Seller's account prior to the expected date of delivery.

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

EXERCISE OF THE PURCHASE OPTION

The Vessel is currently chartered to the Seller under the Bareboat Charter from the Owner. The Seller intends to acquire the Vessel by exercising the Purchase Option pursuant to the terms of the Bareboat Charter on or before 31 December 2025 at the Purchase Option Price. The Vessel acquired by the Seller by exercising the Purchase Option shall be further delivered to the Buyer pursuant to the Agreement.

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

Date

On or before 31 December 2025 (after trading hours of the Stock Exchange)

Parties

The Owner and the Seller

Subject matter

The Vessel. For further details on the Vessel, please refer to the section headed "The Disposal — Subject matter".

Consideration

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

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 Seller, Company and Chargor from their respective obligations under the security documents as disclosed in the Announcement, namely the Seller's assignment, the charge over the shares of the Seller executed by the Chargor, the deed of guarantee executed by the Company and the manager's undertaking in favour of the Owner with respect to the Vessel.

The consideration was determined after arm's length negotiations between the Owner and the Seller 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 USD19,900,000 offered by the Buyer for the Vessel, (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 DISPOSAL AND EXERCISE OF OPTION TO PURCHASE A VESSEL

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

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

INFORMATION ON THE PARTIES

The Company, the Group and the Seller

The Company is an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409). The Group is principally engaged in the provision of shipping services and ship management services.

The Seller is a company incorporated in Liberia with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in vessel holding and the provision of chartering services.

The Buyer

The Buyer is a company incorporated in Singapore with limited liability, which is principally engaged in ship owning. As at the date of this announcement, the Buyer is owned as to 72.3% by Zhang Yuqiang.

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

The Owner

The Owner is a company established in the PRC with limited liability. For further details on the Owner, please refer to the description of the “Owner” in the Announcement.

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

FINANCIAL EFFECTS OF THE DISPOSAL

The Group expects to record a gain from the Disposal (after tax and expenses) of approximately USD3.8 million, which is estimated by the Group based on the difference between the amount of the proceeds expected to be obtained from the Disposal (after deducting the associated cost and tax of the Disposal) and the aggregate of the expected net asset value of the Vessel of approximately USD15.9 million as at the Delivery Date. The actual gain from the Disposal can only be determined at the completion of the Disposal based on the actual net asset value of the Vessel and is subject to audit.

USE OF PROCEEDS

The net proceeds from the Disposal will be used to finance potential acquisition of vessels and as general working capital of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios in respect of the Disposal and the exercise of the Purchase Option calculated with reference to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Disposal and the exercise of the Purchase Option constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the memorandum of agreement dated 16 January 2025 entered into between the Buyer and the Seller in relation to the Disposal
“Announcement”	the announcement of the Company dated 24 September 2023
“Bareboat Charter”	the bareboat charter entered into between the Seller and the Owner in respect of the charter of the Vessel under the finance lease arrangement as disclosed in the Announcement

“Board”	the board of Directors
“Buyer”	Yuchen Logistics Pte. Ltd., a company incorporated in Singapore with limited liability
“Chargor”	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)
“Delivery Date”	has the meaning ascribed to it in the section headed “The Disposal — Subject matter”
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Vessel pursuant to the Agreement
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Owner”	a company established in the PRC with limited liability, the Owner of the Vessel until the exercise of the Purchase Option, an independent third party of the Company
“PRC”	the People’s Republic of China
“Purchase Option”	the purchase option granted by the Owner to the Seller to purchase the Vessel under the Bareboat Charter
“Purchase Option Price”	up to approximately USD15 million
“Seller”	Seacon Yokohama Ltd, a company incorporated in Liberia with limited liability and an indirect wholly-owned subsidiary of the Company

“Shareholders”	holders of the Shares
“Shares”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“Vessel”	SEACON YOKOHAMA, a 13,500dwt general cargo ship built in 2023
“%”	per cent

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

Hong Kong, 16 January 2025

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.