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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 SEVEN VESSELS

ACQUISITION OF SEVEN VESSELS

The Board announces that on 27 January 2025 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly owned subsidiary of the Company, entered into the Agreements with the Sellers for the acquisition of the respective Vessels at an aggregate consideration of Euro 63,700,000 (equivalent to approximately HKD521,100,000), each at a consideration of Euro 9,100,000 (equivalent to approximately HKD74,400,000).

LISTING RULES IMPLICATIONS

Since all the Sellers are wholly owned subsidiaries of Baltic Shipping, the acquisition of the Vessels under the Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules for determining the percentage ratios under Rule 14.07 of the Listing Rules and treated as if they were one transaction for the purpose of Chapter 14 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 Agreements exceeds 5% but is less than 25%, the acquisition of the Vessels 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.

INTRODUCTION

The Board announces that on 27 January 2025 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, entered into the Agreements with the Sellers for the acquisition of the respective Vessels at an aggregate consideration of Euro 63,700,000 (equivalent to approximately HKD521,100,000), each at a consideration of Euro 9,100,000 (equivalent to approximately HKD74,400,000).

THE AGREEMENTS

The principal terms of the Agreements are as follows:

Date

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

Parties

The Buyer and the respective Sellers

Assets to be acquired

The Vessels, namely seven mini bulk carriers each with 2,518 gross tonnage, five constructed in 2023, one constructed in 2022 and another constructed in 2024. Pursuant to the Agreements, the Vessels are all expected to be delivered to the Group between 1 April 2025 and 1 June 2025.

In the event that a Vessel is not ready for delivery by 1 June 2025, the corresponding Seller may propose to extend the relevant delivery date, and the Buyer has the option of either accepting the extended delivery date, or rejecting it and canceling the relevant Agreement pursuant to its respective terms and conditions.

Set out below is a summary of the financial information of the Vessels for the years ended 31 December 2023 and 2024:

	Year ended 31 December	
	2023	2024
	<i>(EURO in thousands, unaudited)</i>	
MV Baltic Fin		
Net profits before taxation	158	161
Net profits after taxation	124	126
Book value	N/A	8,058
Baltic Grain		
Net profits before taxation	18	161
Net profits after taxation	14	126
Book value	N/A	8,581
Baltic Moon		
Net profits before taxation	55	161
Net profits after taxation	43	126
Book value	N/A	8,443
Baltic Split		
Net profits before taxation	N/A	159
Net profits after taxation	N/A	124
Book value	N/A	8,657
Baltic Steel		
Net profits before taxation	34	161
Net profits after taxation	26	126
Book value	N/A	8,523
Baltic Sun		
Net profits before taxation	160	161
Net profits after taxation	125	126
Book value	N/A	8,030
Baltic Wind		
Net profits before taxation	46	161
Net profits after taxation	36	126
Book value	N/A	8,477

Consideration

Euro 9,100,000 (equivalent to approximately HKD74,400,000) per Vessel subject to the terms of the relevant Agreement, which shall be paid by the Buyer to the relevant Seller in the manner as follows:

- (1) a deposit of Euro 910,000 (equivalent to approximately HKD7,400,000) is payable within three banking days after the date that the relevant Agreement has been signed and exchanged by the parties thereto and the deposit holder has confirmed in writing to the parties that the account has been opened; and
- (2) on delivery of the Vessel but no later than three banking days after the date that the notice of readiness of the relevant Vessel has been given, the deposit shall be released to the corresponding Seller and the balance of Euro 8,190,000 (equivalent to approximately HKD67,000,000) shall be paid to the Sellers's account.

The consideration was determined after arm's length negotiations between the Buyer and the respective Sellers taking into account the price of newbuilding orders of vessels of similar type, size and with longer delivery schedules in the range of Euro 8.7 million to Euro 9.0 million each.

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 of the Shares will be used to pay for the consideration.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF SEVEN VESSELS

The acquisition of the Vessels under the Agreements 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 light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the transactions contemplated under the Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION OF 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 the British Virgin Islands and an indirect wholly owned subsidiary of the Company. It is principally engaged in investment holding.

The Sellers

All Sellers are private companies incorporated in Germany with limited liability, which are principally engaged in vessel ownership and operation. All Sellers are wholly owned subsidiaries of Baltic Shipping, which is a company incorporated in Denmark. Established in 1950, Baltic Shipping has a substantial market presence in the shipping industry and is one of the top five shipping companies based on market share that engages in short-distance maritime transport within Europe, specifically operating routes that connect the Baltic Sea and the Mediterranean Sea. Baltic Shipping is specialized in chartering, ships agency, ship management, project cargo, vessel operations and stevedoring for all kinds of commodities. Baltic Shipping has commercial management of a fleet of over 95 dry cargo vessels ranging from 1,100–14,000 dwt. As a well-known shipping and ship management company as well as shipowner in the shipping industry, Baltic Shipping's vessel related transactions have been reported in major maritime media platforms.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Sellers and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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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 Agreements exceeds 5% but is less than 25%, the acquisition of the Vessels 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:

“Agreements”	seven memoranda of agreement dated 27 January 2025, entered into between the Buyer and the respective Sellers in respect of the acquisition of the Vessels
“Baltic Shipping”	Baltic Shipping Company A/S, a company incorporated and existing under the laws of Denmark
“Board”	the board of Directors
“Buyer”	Seacon Marine Ltd., a company incorporated and existing under the laws of the British Virgin Islands, 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)
“Denmark”	the Kingdom of Denmark
“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
“Euro”	Euro, the lawful currency of the Eurozone
“Germany”	the Federal Republic of Germany
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Sellers”	MS BALTIC FIN GmbH & Co. KG, MS BARENTS FIN GmbH & Co. KG, MS BISCAY FIN GmbH & Co. KG, MS BELLSUND FIN GmbH & Co. KG, MS BAIKAL FIN GmbH & Co. KG, MS BOTHNIA FIN GmbH & Co. KG and MS BERING FIN GmbH & Co. KG, which are all private companies incorporated in Germany with limited liability
“Shareholders”	holders of the Shares
“Shares”	ordinary shares with a nominal or par value of HKD0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vessels”	seven mini bulk carriers, each with 2,518 gross tonnage, five constructed in 2023, one constructed in 2022 and another constructed in 2024, namely MV Baltic Fin, Baltic Grain, Baltic Moon, Baltic Split, Baltic Steel, Baltic Sun and Baltic Wind
“%”	per cent

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

Hong Kong, 27 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.