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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 NOVATION OF TWO CONTRACTS

NOVATION OF TWO CONTRACTS

References are made to the Announcement and Circular of the Company dated 15 April 2024 and 24 May 2024, respectively, in relation to the Original Contracts.

The Board announces that on 5 February 2025 (after trading hours of the Stock Exchange), the Buyer entered into the Novation Agreement with the Seller and the Original Buyer, an indirect wholly-owned subsidiary of the Company, pursuant to which the Original Buyer agreed to novate to the Buyer the Original Contracts, which shall be superseded by the Shipbuilding Contracts with substantially the same terms as the Original Contracts, in relation to the two Vessels at an aggregate consideration of approximately USD19,760,000.

LISTING RULES IMPLICATIONS

Since the Novation Agreement and the Previous Agreement were entered into with the Buyer and the Previous Buyer, which were wholly-owned subsidiaries of the Joint Venture, the Novation and the Previous Disposal 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 Novation and Previous Disposal, when aggregated, exceeds 5% but is less than 25%, the Novation 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.

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The material terms of the Novation Agreement are as follows:

- Date*** : 5 February 2025
- Parties*** : The Seller
The Original Buyer
The Buyer
- Subject matter*** : The Original Contracts in relation to the Vessels, namely two 18,500dwt chemical/oil tankers to be constructed and expected to be delivered on 31 December 2025 and 31 March 2026, respectively.
- For further details on the Vessels, please refer to the Announcement and the Circular.
- Consideration*** : (1) The assumption by the Buyer of the obligations and liabilities of the Original Buyer and the release of obligations and liabilities of the Original Buyer, subject to the terms of the Novation Agreement; and
- (2) the payment of approximately USD19,760,000 by the Buyer to the Original Buyer within reasonable time after the date of the Novation Agreement

For further details on the terms of the Shipbuilding Contracts and the Original Contracts, please refer to the Announcement and the Circular.

The consideration was determined after arm's length negotiations among the Seller, the Original Buyer and the Buyer taking into account the total amount paid by the Original Buyer under the Original Contracts up to the date of the Novation Agreement and the costs of funding of such payments.

REASONS FOR AND BENEFITS OF THE NOVATION

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

The Novation 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 Novation represents an opportunity to novate the Original Contracts 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.

Moreover, by novating the Original Contracts, the shipping capacity of the Buyer, which is owned as to 50% by the Group, for chemical and oil products will increase, and the Buyer will be able to better meet market demand for its shipping services for chemical and oil products, which increases the competitiveness of the Buyer's shipping solutions as the ability to secure business opportunities are dependent on the availability of the vessel fleet of the Buyer. The Novation is expected to generate additional economic benefits to the Group and the Buyer, and is in line with the Group's and the Buyer's overall business strategy and interest in the long run. 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 Novation Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company, the Group and the Original 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 Original 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 the provision of chartering services, shipping operation and investment holding.

The Buyer

The Buyer 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 vessel owning. As of the date of this announcement, the Buyer is wholly owned by the Joint Venture and has the same shareholding structure as the Previous Buyer. For further details on the Buyer, the Joint Venture and its ultimate beneficial owners, please refer to the announcement and circular of the Company dated 23 October 2024 and 29 November 2024, respectively. As of the date of this announcement, the information on the Buyer, the Joint Venture and their respective ultimate beneficial owners remains the same.

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

The Seller

The Seller is a limited liability company established under the laws of the PRC. The Seller is principally engaged in ship building and reparation. As at the date of this announcement, the Seller is wholly-owned by Fujian Chuanzheng Shipbuilding Industry Co., Ltd.* (福建船政重工股份有限公司), whose parent company and single largest shareholder is Fujian Shipbuilding, which in turn is a state-owned enterprise managed by the Fujian SASAC. Fujian Shipbuilding is principally engaged in ship and marine engineering equipment construction and reparation, and has a paid-up capital of approximately RMB1.43 billion.

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

FINANCIAL EFFECTS OF THE NOVATION

The Group expects that the Novation would not give rise to any gain or loss, as the consideration of approximately USD19,760,000 equals to the total amount paid by the Original Buyer under the Original Contracts up to the date of the Novation Agreement and the costs of funding of such payments. The actual financial effects of the Novation are subject to audit.

USE OF PROCEEDS

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

LISTING RULES IMPLICATIONS

Since the Novation Agreement and the Previous Agreement were entered into with the Buyer and the Previous Buyer, which were wholly-owned subsidiaries of the Joint Venture, the Novation and the Previous Disposal 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 Novation and Previous Disposal, when aggregated, exceeds 5% but is less than 25%, the Novation 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:

“Announcement”	the announcement of the Company dated 15 April 2024
“Board”	the board of Directors
“Buyer”	Continental Kapital Tankers Holdings Limited, a company incorporated under the laws of the Marshall Islands with limited liability
“Circular”	the circular of the Company dated 24 May 2024
“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
“Fujian SASAC”	the State-owned Assets Supervision and Administration Commission of the People’s Government of Fujian Province* (福建省人民政府國有資產監督管理委員會)
“Fujian Shipbuilding”	Fujian Shipbuilding Industry Group Company Limited* (福建省船舶工業集團有限公司), a state-owned enterprise managed by Fujian SASAC

“Group”	the Company and its subsidiaries
“Joint Venture”	Continental Kapital Shipping Company Limited, a company incorporated under the laws of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marshall Islands”	the Republic of the Marshall Islands
“Novation”	the novation of the Original Contracts by the Original Buyer to the Buyer in relation to the two Vessels pursuant to the Novation Agreement
“Novation Agreement”	the Novation Agreement dated 5 February 2025, entered into among the Buyer, the Seller and the Original Buyer, in relation to the novation of the Original Contracts by the Original Buyer to the Buyer in relation to the two Vessels
“Original Buyer”	Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Original Contracts”	the two shipbuilding contracts dated 15 April 2024 entered into between the Original Buyer and the Seller in respect of the sale and purchase of the two Vessels, respectively
“PRC”	the People’s Republic of China
“Previous Agreement”	the sale and purchase agreement dated 23 October 2024 entered into between the Continental Kapital MPP Holdings Limited and the Original Buyer in relation to Previous Disposal
“Previous Buyer”	Continental Kapital MPP Holdings Limited, a company incorporated in the Marshall Islands with limited liability and an Independent Third Party
“Previous Disposal”	the disposal of the target companies pursuant to the Previous Agreement as disclosed in the announcement and circular of the Company dated 23 October 2024 and 29 November 2024, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Fujian Southeast Shipbuilding Co., Ltd.* (福建東南造船有限公司), a limited liability company established under the laws of the PRC

“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 two shipbuilding contracts dated 5 February 2025 in respect of the sale and purchase of the two Vessels, respectively, entered into 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”	two 18,500dwt chemical/oil tankers, each to be constructed respectively under each of the corresponding Original Contracts, which shall be superseded by the Shipbuilding Contracts pursuant to the Novation Agreement
“%”	per cent

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

Hong Kong, 5 February 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.

* *For identification purposes only*