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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)

(1) MAJOR TRANSACTION DISPOSAL OF A VESSEL AND (2) DISCLOSEABLE TRANSACTION EXERCISE OF OPTION TO PURCHASE A VESSEL

THE DISPOSAL

The Board announces that on 7 February 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 USD32,880,000.

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 on the Delivery Date for a maximum Purchase Option Price of approximately USD21 million. 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

Since the Agreement and the Previous Agreement were entered into with the Buyer, the disposal of the vessels under the Agreement and the Previous Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal calculated with reference to Rule 14.07 of the Listing Rules, when aggregated with the disposal under the Previous Agreement, exceeds 25% but is less than 75%, the Disposal 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.

Since the exercises of the Purchase Option and the Previous Purchase Options involved the acquisition of vessels from the respective owners, which are both 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.

Nonetheless, the exercise of the Purchase Option, even if aggregated with the exercise of the Previous Purchase Options, will still be classified as a major transaction of the Company under Chapter 14 of the Listing Rules of which relevant disclosure requirements will be complied with by the Company. Accordingly, pursuant to the Stock Exchange's Frequently Asked Questions FAQ11.3 — No.1, the Company would not be required to aggregate the exercise of the Purchase Option with the exercise of the Previous Purchase Options.

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, on a standalone basis, exceeds 5% but is less than 25%, the exercise of the Purchase Option 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.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal. 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 Disposal. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Disposal 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 Disposal has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (1) further details on the Disposal and the transaction contemplated thereunder; and (2) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 28 February 2025.

THE DISPOSAL

The Board announces that on 7 February 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 USD32,880,000.

The principal terms of the Agreement are as follows:

Date

7 February 2025 (after trading hours of the Stock Exchange)

Parties

The Buyer and the Seller

Subject matter

The Vessel, a 24,576 gross tonnage chemical/oil carrier built in 2021.

Set out below are the net profits (before and after taxation) attributable to the Vessel for the years ended 31 December 2023 and 2024:

	Year ended 31 December	
	2023	2024
	(audited)	(unaudited)
	(USD in thousands)	
Net profits before and after taxation	4,633	5,355

The expected net asset value of the Vessel as at the Delivery Date is approximately USD21 million.

Under the Agreement, the Vessel shall be delivered to the Buyer on or before 8 April 2025, 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

USD32,880,000, which shall be paid by the Buyer to the Seller in the manner as follows:

- (1) the Deposit of USD3,288,000 is payable to Seller's account within three banking days after the Agreement has been signed, and the escrow account has been opened, whichever occurs later;
- (2) the Buyer shall remit the Balance, namely USD29,592,000 and all other sums payable, at least one banking day prior to the expected date of delivery into the escrow account; and
- (3) the Deposit shall be released to the Seller and the Balance on delivery shall be paid to the Seller's account on delivery of the Vessel, but not later than three banking days after the date that the notice of readiness regarding the Vessel has been given.

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) 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 with prices in the range of USD31 million to USD35 million; and (3) the Purchase Option Price, which represents the Group's acquisition cost of the Vessel.

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 the Delivery Date 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 the Delivery Date

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 of up to approximately USD21 million as stipulated in the Bareboat Charter based on the expected timing of exercise of the Purchase Option pursuant to the terms of the Bareboat Charter.

Upon the Owner's receipt of the full payment of the Purchase Option Price on or before the Delivery Date and all sums due and payable to the Owners under the Bareboat Charter, the chartering of the Vessel under the Bareboat Charter shall terminate, while the Owner shall transfer title to and ownership of the Vessel to the Seller.

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 Hong Kong 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 the United Kingdom with limited liability. It is an integrated logistics services provider for clients focused on Commercial Management, Technical Management, Marine Services, and Technology, with offices spanning three continents. It is a global leader in the maritime industry, owning and chartering over 70 vessels, ranging from Intermediate to Aframax/LR2 size. Its tankers transport crude oil, chemicals, oil products as well as clean petroleum products in major commercial areas worldwide.

Union Maritime was established in 2006. Based on the consolidated financial statements of Union Maritime, for the year ended 31 December 2023, its revenue was over USD600 million and its profit after taxation and total comprehensive income was approximately USD260 million. As at 31 December 2023, it had total assets of approximately USD1.3 billion. As a well-known shipowner in the shipping industry, Union Maritime's vessel transactions are reported in major maritime media platforms such as Tradewinds, eworldship.com and eshiptrading.com.cn.

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 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.

FINANCIAL EFFECTS OF THE DISPOSAL

The Group expects to record a gain from the Disposal (after tax and expenses) of approximately USD6.5 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 USD21 million as at the Delivery Date and the expected share of profits with the Owner pursuant to the Bareboat Charter upon the exercise of the Purchase Option. 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

Since the Agreement and the Previous Agreement were entered into with the Buyer, the disposal of the vessels under the Agreement and the Previous Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal calculated with reference to Rule 14.07 of the Listing Rules, when aggregated with the disposal under the Previous Agreement, exceeds 25% but is less than 75%, the Disposal 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.

Since the exercises of the Purchase Option and the Previous Purchase Options involved the acquisition of vessels from the respective owners, which are both 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.

Nonetheless, the exercise of the Purchase Option, even if aggregated with the exercise of the Previous Purchase Options, will still be classified as a major transaction of the Company under Chapter 14 of the Listing Rules of which relevant disclosure requirements will be complied with by the Company. Accordingly, pursuant to the Stock Exchange's Frequently Asked Questions FAQ11.3 — No.1, the Company would not be required to aggregate the exercise of the Purchase Option with the exercise of the Previous Purchase Options.

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, on a standalone basis, exceeds 5% but is less than 25%, the exercise of the Purchase Option 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.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal. 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 Disposal. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Disposal 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. ^(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 Disposal has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (1) further details on the Disposal and the transaction contemplated thereunder; and (2) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 28 February 2025.

DEFINITIONS

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

“Agreement”	the memorandum of agreement dated 7 February 2025 entered into between the Buyer and the Seller in relation to the Disposal
“Announcement”	the announcement of the Company dated 9 April 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)
“Balance”	has the meaning ascribed to it in the section headed “The Disposal — Consideration”
“Bareboat Charter”	the bareboat charter entered into between the Seller and the Owner in respect of the charter of the Vessel dated 15 September 2021
“Board”	the board of Directors
“Buyer”	Union Maritime Limited, a company incorporated in the United Kingdom with limited liability
“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)
“Delivery Date”	has the meaning ascribed to it in the section headed “The Disposal — Subject matter”
“Deposit”	has the meaning ascribed to it in the section headed “The Disposal — Consideration”
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Vessel pursuant to the Agreement
“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”	Bright Rose Shipping Limited, a company incorporated according to the laws of the Republic of Marshall Islands, 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
“Previous Agreement”	the memorandum of agreement dated 8 April 2024 entered into between the Buyer and Golden Lavender Limited in relation to the disposal as disclosed in the Announcement
“Previous Purchase Options”	<p>(1) the purchase option granted by Bright Dictador Shipping Limited to Golden Bridge Ships Limited to purchase a vessel as disclosed in the announcement of the Company dated 12 December 2024;</p> <p>(2) 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;</p> <p>(3) 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</p> <p>(4) 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</p>
“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 USD21 million
“Seller”	Golden Dahlia Limited, a company incorporated in Hong Kong 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”	GOLDEN DAHLIA, a 24,576 gross tonnage chemical/oil carrier built in 2021
“%”	per cent

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

Hong Kong, 7 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.