

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 TRANSACTION DISPOSAL OF A VESSEL

DISPOSAL OF A VESSEL

The Board announces that on 12 August 2024 (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 USD32,100,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal calculated with reference to Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Disposal 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 12 August 2024 (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 USD32,100,000.

THE DISPOSAL

The principal terms of the Agreement are as follows:

Date

12 August 2024 (after trading hours of the Stock Exchange)

Parties

The Buyer and the Seller

Subject matter

The Vessel, a 36,357 gross tonnage bulk carrier built in 2019 by Nantong Xiangyu Shipbuilding & Offshore Engineering Co., Ltd.

Set out below are the net profits (both 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	<u>5,067</u>	<u>1</u>
---------------------------------------	--------------	----------

According to the audited consolidated financial statement of the Group for the year ended 31 December 2023, the audited book value of the Vessel as at 31 December 2023 was approximately USD23 million.

Pursuant to the Agreement, the Vessel shall be delivered to the Buyer between 31 August 2024 and 30 December 2024. The Buyer shall have the option of cancelling the Agreement if the Vessel is not ready for delivery by 30 December 2024.

Consideration

USD32,100,000, which shall be paid by the Buyer to the Seller in the manner as follows:

- (1) the deposit of USD3,210,000 is payable to an escrow account within three banking days after the Agreement has been signed and the escrow account has been opened, whichever is later;
- (2) the Buyer shall remit the balance payment of USD28,890,000 and all other sums payable on delivery into the escrow account prior to the expected date of delivery, subject to the terms of the Agreement; and

- (3) on delivery of the Vessel, but no later than three banking days after the date that the notice of readiness regarding the Vessel has been given, the consideration shall be paid in full to the Seller's account.

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 bulk carriers 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.

REASONS FOR AND BENEFITS OF 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 transaction contemplated under the 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 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, which is 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 PRC with limited liability, which is principally engaged in financial leasing and leasing business of vessels, purchase of leasing assets domestically and overseas, import and export business of leasing assets, handling and repairing the residual value of leasing assets, and consultation on leasing

transactions. As at the date of this announcement, the Buyer is wholly owned by JIC Financial Leasing (Shanghai) Co., Ltd.* (中建投融資租賃(上海)有限公司), which is a state-owned enterprise established in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer 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 USD9 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 expected net asset value of the Vessel of approximately USD22 million as at December 2024. 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. As at the date of this announcement, the Company has not identified any potential targets of vessels for acquisition.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal 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:

“Agreement”	the memorandum of agreement dated 12 August 2024 entered into between the Buyer and the Seller in relation to the Disposal
“Board”	the board of Directors
“Buyer”	SHENXIN SHIP LEASING (SHANGHAI) CO., LTD.* (申鑫船舶租賃(上海)有限責任公司), a company incorporated in the PRC with limited liability
“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 directors 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
“PRC”	the People’s Republic of China
“Seller”	GOLDEN RIVER SHIPS LIMITED, a company incorporated in Hong Kong 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
“United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States

“Vessel” SEACON ATHENS, 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 August 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.

** For identification purposes only*