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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)

MAJOR TRANSACTIONS

- (1) PROVISION OF GUARANTEES AND
(2) ACQUISITION OF TWO VESSELS**

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the “Definitions” section of this circular.

A letter from the Board is set out on pages 5 to 16 of this circular.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders’ approval requirement in respect of the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts has been satisfied in lieu of a Shareholders’ general meeting of the Company. This circular is being despatched to the Shareholders for information only.

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DEFINITIONS

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

| | |
|------------------------|---|
| “Board” | the board of Directors |
| “Buyer” | Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company |
| “Capital Contribution” | the capital contribution in the amount of HKD5,000 which has been made by Seacon Shipinvest in the Charterer |
| “CCBFL” | CCB Financial Leasing Co., Ltd., a company incorporated under the laws of the PRC with limited liability |
| “Charter Guarantees” | collectively, four charter guarantees dated 2 April 2024 executed by the Company in favour of the Owners, pursuant to which the Company has agreed to guarantee the due and punctual performance of the obligations of the Charterer under the Transaction Documents in favour of the Owners, in relation to the Four Vessels, respectively |
| “Charterer” | Golden Pegasus Shipping Company Limited, a company incorporated under the laws of Hong Kong with limited liability and an associate company of the Company, which is owned as to 50% by both Seacon Shipinvest and Major Progress Limited |
| “Charters” | collectively, four bareboat charters entered into between the Owners and the Charterer, pursuant to which the Owners have agreed to let and the Charterer has agreed to hire the Four Vessels, respectively, with purchase options granted to the Charterer |
| “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 Latest Practicable Date) |
| “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) |
| “CSSCHK” | CSSC (Hong Kong) Shipping Company Limited, a company incorporated under the laws of Hong Kong with limited liability and listed on the Stock Exchange (stock code: 3877) |

DEFINITIONS

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| “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 |
| “Four Vessels” | collectively, four 50,000 dwt oil/chemical tankers |
| “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 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates |
| “Interests” | being 50% of the aggregate interests payable with reference to, among others, the fixed hire paid at the relevant time under the Charters and the applicable term secured overnight financing reference rate for the relevant period published by the administrator of that rate |
| “Joint Venture Arrangement” | the joint venture arrangement entered into among Major Progress Limited, CSSCHK, Seacon Shipinvest and the Company in relation to the Charterer |
| “JV Shareholders” | collectively, Major Progress Limited and Seacon Shipinvest |
| “Latest Practicable Date” | 21 May 2024 |
| “Listing” | the listing of the Shares on the Main Board of the Stock Exchange on 29 March 2023 |

DEFINITIONS

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|-----------------------------------|--|
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Memorandum of Agreements” | collectively, four memorandum of agreements entered into between the Owners and the Charterer, pursuant to which the Owner has agreed to purchase and the Charterer has agreed to sell the Four Vessels, respectively |
| “Obligors” | the Charterer, the Company and CSSCHK |
| “Owner(s)” | collectively, Compass Shipping 129 Corporation Limited, Compass Shipping 130 Corporation Limited, Compass Shipping 131 Corporation Limited and Compass Shipping 132 Corporation Limited, each being the respective owner of each of the Four Vessels |
| “PRC” | the People’s Republic of China |
| “Previous Shipbuilding Contracts” | the shipbuilding contracts as disclosed in the announcement of the Company dated 18 February 2024 and the circular of the Company dated 23 February 2024 |
| “Prospectus” | the prospectus of the Company dated 14 March 2023 |
| “Seacon Shipinvest” | Seacon Shipinvest (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “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 |
| “Shareholders” | holders of the Shares |
| “Shareholder’s Loan” | the shareholder’s loan committed to be provided by the Group to the Charterer upon the acquisition of the Four Vessels under the Joint Venture Arrangement |
| “Shares” | ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company |
| “Shipbuilding Contract 1” | the shipbuilding contract entered into between the Buyer and the Seller in respect of the sale and purchase of Vessel 1 |
| “Shipbuilding Contract 2” | the shipbuilding contract entered into between the Buyer and the Seller in respect of the sale and purchase of Vessel 2 |

DEFINITIONS

| | |
|----------------------------|---|
| “Shipbuilding Contract(s)” | Shipbuilding Contract 1 and Shipbuilding Contract 2 |
| “Singapore” | the Republic of Singapore |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction Documents” | collectively, the Charters, the Memorandum of Agreements, the Charter Guarantees, the charter guarantees executed by CSSCHK in favour of the Owner, the security documents and the assignments of warranty executed by the Charterer in favour of the Owner, and such other documents as may be designated as such by the Owners from time to time, in relation to the Four Vessels |
| “Two Vessels” | Vessel 1 and Vessel 2 |
| “United States” | The United States of America |
| “USD” | United States dollars, the lawful currency of the United States of America |
| “Vessel 1” | a 18,500 dwt chemical/oil tanker to be constructed under the Shipbuilding Contract 1 |
| “Vessel 2” | a 18,500 dwt chemical/oil tanker to be constructed under the Shipbuilding Contract 2 |
| “%” | per cent |

* *For identification purposes only*



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)

Executive Directors:

Mr. Guo Jinkui (*Chairman*)
Mr. Chen Zekai
Mr. He Gang
Mr. Zhao Yong

Registered office in the Cayman Islands:

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Cricket Square
P.O. Box 902
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Cayman Islands

Independent Non-executive Directors:

Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Principal place of business in the PRC:

23/F, Block B, Building 3
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Laoshan District, Qingdao City
Shandong Province
the PRC

24 May 2024

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTIONS
(1) PROVISION OF GUARANTEES AND
(2) ACQUISITION OF TWO VESSELS

I. INTRODUCTION

References are made to (1) the announcement of the Company dated 2 April 2024 in relation to the provision of guarantees regarding the Four Vessels, (2) the announcement of the Company dated 15 April 2024 in relation to the acquisition of the Two Vessels and (3) the announcement of the Company dated 18 February 2024 and the circular of the Company dated 23 February 2024 in relation to the Previous Shipbuilding Contracts.

On 2 April 2024 (after trading hours of the Stock Exchange), the Company, as guarantor, executed the Charter Guarantees, pursuant to which the Company has agreed to guarantee the due and punctual performance of the obligations of the Obligors under the Transaction Documents in favour of the Owners in relation to the Four Vessels.

LETTER FROM THE BOARD

Under the Transaction Documents, the Charterer, an associate company of the Company, has entered into a financial lease arrangement with the Owners in relation to the Four Vessels with the principal sum of USD146.2 million.

The Company's liability under the Charter Guarantees shall not exceed 50% of the principal sum, namely USD73.1 million, as well as other Interests, obligations, liabilities and responsibilities in relation to the Charters, with the Company's aggregate obligations being proportional to the Company's indirect interest in the Charterer.

On 15 April 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary of the Company, and the Seller entered into two Shipbuilding Contracts, pursuant to which the Buyer agreed to purchase and the Seller agreed to sell the Two Vessels for an aggregate consideration of USD64,600,000.

The purpose of this circular is to provide you with information in relation to the provision of guarantees under the Charter Guarantees and acquisition of the Two Vessels under the Shipbuilding Contracts.

II. CHARTER GUARANTEES

The material terms of each of the Charter Guarantees are as follows:

Date : 2 April 2024

Subject matter of the guarantees : The Company, as guarantor, among others:

- (1) guarantees to the Owners the due and punctual performance and observance by the Obligors of all the terms and conditions of, the liabilities and obligations, and the due and punctual payment of all moneys fall due under the respective Transaction Documents to which each of them is a party;
- (2) undertakes with the Owners that whenever any of the Obligors does not pay any amount when due or defaults in the due and punctual performance under any Transaction Document, the guarantor shall procure the performance of those obligations and, within ten business days of the guarantor's receipt of the Owners' written demand, pay that amount as if it were the principal obligor; and

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- (3) agrees with the Owners that if any obligation guaranteed is or becomes unenforceable, invalid or illegal, it will indemnify the Owners against any reasonable costs and charges suffered or incurred, directly as a result of any breach or non-performance of, or non-compliance by any of the Obligor with any of its obligations pursuant to any Transaction Document or any of those obligations being or becoming void, voidable, unenforceable, invalid or illegal, provided that in respect of any particular unpaid amount of the liabilities and obligations under the Transaction Documents above, the guarantor's liability under the Charter Guarantees shall not exceed 50% of that amount.

The Company shall also indemnify the Owners against any reasonable and documented cost, loss or liability incurred by any of them as a direct result of, among others:

- (1) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (2) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Owners by the Transaction Documents or by law; or
- (3) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Transaction Documents.

Term of guarantees : From 2 April 2024, being the date of the Charter Guarantees, until the expiration of the charter period under the Charters, namely ten years after the delivery of the corresponding vessels, and when all money owed by the Obligor to the Owners in connection with the relevant vessel has been paid in full and no obligation of the Obligor of any nature in connection with the Transaction Documents or with the relevant vessel remain unperformed or undischarged, whichever the later.

Joint Venture Arrangement — Capital Contribution and Shareholder's Loan

The Charterer is a joint venture company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, it is owned as to 50% by the Group through its wholly-owned subsidiary, Seacon Shipinvest and as to 50% by Major Progress Limited, an Independent Third Party.

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The registered capital of the Charterer is HK\$10,000, which shall be contributed by the JV Shareholders in proportion to their equity interest in the Charterer. The Capital Contribution which has been contributed by Seacon Shipinvest in the Charterer is HK\$5,000. The JV Shareholders have committed under the Joint Venture Arrangement to provide shareholders' loans in the respective amounts in proportion to their equity interest in the Charterer.

The Charterer acquired the Four Vessels from Chengxi Shipyard Co., Ltd. and China Shipbuilding Trading Co., Ltd., which are both Independent Third Parties (the "Shipyards") on 25 March 2024 and entered into the finance lease arrangement of the Four Vessels with the Owner by executing the Charters, the Memorandum of Agreements, security documents and assignments of warranty on 28 March 2024. The Four Vessels are currently under construction by the Shipyards. The Charterer entered into the said finance lease arrangements for the purpose of financing the acquisition of the Four Vessels from the Shipyards. The funding received by the Charterer under the finance lease arrangements will cover approximately 85% of the acquisition costs of the Four Vessels, and the remaining 15% of the acquisition costs will be funded by the shareholders' loan provided by the Group and Major Progress Limited in proportion to their equity interest in the Charterer. The total Shareholder's Loan committed to be provided by the Group is up to approximately USD13.0 million, which shall be provided to the Charterer in accordance with the corresponding payment schedule of the Four Vessels. As at the Latest Practicable Date, the Charterer has made part of the first instalment to the Shipyards in relation to the acquisition of the Four Vessels, accounting for approximately 3% of the total acquisition costs. The Shareholder's Loan shall be unsecured and interest-free, which is repayable following the requisite approval in accordance with the Joint Venture Arrangement, upon termination of the Joint Venture Arrangement, or upon the winding-up of the Charterer.

The Charterer has not become a subsidiary of the Company upon its formation, and its financial results would not be consolidated into the financial statements of the Company.

The Capital Contribution and the Shareholder's Loan has been and/or will be provided by the internal resources of the Group.

III. SHIPBUILDING CONTRACTS

The principal terms of the Shipbuilding Contracts are as follows:

Date : 15 April 2024

Parties : The Buyer
The Seller

LETTER FROM THE BOARD

- Asset to be acquired** : The Two Vessels, 18,500 dwt chemical/oil tankers to be constructed and expected to be respectively delivered on:
- (1) 31 December 2025 under the Shipbuilding Contract 1; and
 - (2) 31 March 2026 under the Shipbuilding Contract 2.
- Consideration** : USD32,300,000 for each of the Two Vessels, which shall be paid by the Buyer to the Seller in six instalments as follows:
- (1) the first instalment of USD646,000 is payable within five banking days upon the execution of the Shipbuilding Contract 1 and the Shipbuilding Contract 2 respectively;
 - (2) the second instalment of USD2,584,000 is payable within five banking days upon the receipt of the corresponding first and second instalment refund guarantees for Vessel 1 and Vessel 2 respectively;
 - (3) the third instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and the cutting of the first steel plate of Vessel 1 and Vessel 2 respectively;
 - (4) the fourth instalment of USD6,460,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and keel-laying of the first section of Vessel 1 and Vessel 2 respectively;
 - (5) the fifth instalment of USD3,230,000 is payable within five banking days upon the receipt of the relevant instalment refund guarantee and launching of Vessel 1 and Vessel 2 respectively; and
 - (6) the sixth instalment of USD16,150,000, subject to adjustments in accordance with the provisions in the corresponding Shipbuilding Contract, is payable upon the delivery of Vessel 1 and Vessel 2 respectively.

LETTER FROM THE BOARD

Security : The Buyer shall, within 15 days after signing of the corresponding Shipbuilding Contract, deliver to the Seller an irrevocable and unconditional letter of guarantee issued by the Company in favour of the Seller, pursuant to which the Company shall guarantee the Buyer's performance of the obligations to pay the second, third, fourth and fifth instalments of the consideration under the relevant Shipbuilding Contract.

Basis for determination of consideration

The respective consideration was determined after arm's length negotiations between the Buyer and the Seller taking into account the (i) quotation provided by other shipyards for the construction of new vessels of similar type, size and delivery schedule; (ii) the consideration payable by the Company for the acquisition of other vessels of similar type, size and delivery schedule; and (iii) quality of services and industry reputation of the Seller. The Seller has a paid-up capital of over RMB770 million and has approximately 600 employees, and has obtained ISO9001 (Quality Management) and OHSAS18001 (Occupational Health & Safety Management) certifications. It is principally engaged in ship building and reparation and is ultimately owned by Fujian Shipbuilding, 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.

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 will be used to pay for the consideration.

Refund guarantee arrangement

As disclosed above, under the Shipbuilding Contracts, the Buyer's obligation to pay certain instalments of consideration under the Shipbuilding Contracts is conditioned upon receipt of refund guarantees for the relevant instalments. A refund guarantee would be in the form of an irrevocable letter of guarantee issued by a bank as reasonably acceptable to the Buyer to guarantee the refund of a particular instalment of consideration under the Shipbuilding Contracts. In the event that the Shipbuilding Contracts are justifiably rescinded, terminated or cancelled by the Buyer in accordance with the terms of the Shipbuilding Contracts, the Seller shall refund to the Buyer the full amount of all sums already paid by the Buyer to the Seller. Under a refund guarantee, a bank would guarantee that should the Seller fails to make repayment of an amount, the bank would pay the Buyer the amount the Seller ought to pay after the bank's receipt of the Buyer's allowable written demand for repayment. To the best knowledge and belief of the Directors, the refund guarantee arrangement is in line with industry practice.

LETTER FROM THE BOARD

IV. REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEES AND THE ACQUISITION OF THE TWO VESSELS

Provision of guarantees

The Group is principally engaged in the provision of shipping services and ship management services. The establishment of the Charterer will integrate and leverage the advantages of the joint venture partner, which is a wholly-owned subsidiary of CSSCHK, a well-established shipyard-affiliated leasing company principally engaged in the provision of leasing services listed on the Stock Exchange.

Under the Transaction Documents, the Charterer is required to cause the Company to provide the Charter Guarantees to the benefit of the Owners as a security for the performance by the Charterer of its contractual obligations, liabilities and responsibilities under the Transaction Documents. The management of the Company is of the view that the provision of guarantees and other financial assistance enables the Charterer to enter into finance lease arrangements to obtain additional working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Charterer.

As of the Latest Practicable Date, the Charterer is owned as to 50% by both Major Progress Limited, a wholly-owned subsidiary of CSSCHK, and Seacon Shipinvest, an indirect wholly-owned subsidiary of the Company. On 2 April 2024, CSSCHK also executed four charter guarantees in favour of the Owners, pursuant to which CSSCHK provided guarantees on terms similar to the Charter Guarantees, which is also in proportion with CSSCHK's indirect interest in the Charterer.

Having considered (i) the above reasons for and the Group's benefits of the establishment of the Charterer and the Charterer entering into the Transaction Documents; (ii) that the Group's exposure under the Charter Guarantees is in proportion to the Group's interest in the Charterer; and (iii) CSSCHK's financial strength and ability to perform its obligations under the charter guarantees, the Directors are of the view that the terms of the Charter Guarantees, the provision of Capital Contribution and the Shareholder's Loan are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Acquisition of the Two Vessels

The acquisition of the Two Vessels under the Shipbuilding Contracts 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 continuing conflicts and disruption in oil-producing nations in the Middle East since October 2023 have prompted increased demand for oil transportation. This elevated demand has been reflected in the rise of the Baltic Clean Tanker Index since the third quarter of 2023. Further, the management of the Company is of the view that

LETTER FROM THE BOARD

the market conditions supporting the demand for chemical products will improve, leading to a greater global demand for logistics services in relation to chemical products. By increasing the number of chemical/oil tankers, the Group's shipping capacity for oil and chemical products will increase, and the Company will be able to better meet market demand for its shipping services for oil or chemical products, generating additional revenue and creating greater value and returns for the Shareholders. The Directors believe that through acquisition of the Two Vessels, the Group will be able to enhance its competitiveness in the maritime shipping industry and to cope with the market demand for its shipping services.

In addition, the Two Vessels are more fuel-efficient and of higher operational efficiency than certain existing chemical/oil tankers of the Group which the Group seeks to gradually phase out, which would meet the latest environmental regulations and prevailing specification requirements in the shipping industry.

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

V. INFORMATION ON THE PARTIES

The Company and the Group

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 Charterer

The Charterer is a company incorporated under the laws of Hong Kong with limited liability and an associate company of the Company, which is principally engaged in vessel holding and chartering services. As of the Latest Practicable Date, the Charterer is owned as to 50% by both Major Progress Limited and Seacon Shipinvest, an indirect wholly-owned subsidiary of the Company.

The Owners

Each of the Owners is a company incorporated under the laws of Hong Kong, which is principally engaged in shipping business. Each of the Owners is a wholly owned subsidiary of CCBFL, which is a wholly-owned subsidiary of China Construction Bank Corporation, a company listed on the Shanghai Stock Exchange (stock codes: 601939 and 360030) and the Stock Exchange (stock code: 939).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Owners and their ultimate beneficial owner(s) are Independent Third Parties.

LETTER FROM THE BOARD

Major Progress Limited

Major Progress Limited is a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of CSSCHK. Major Progress Limited is principally engaged in the provision of leasing services. CSSCHK is a company incorporated under the laws of Hong Kong with limited liability and listed on the Stock Exchange (stock code: 3877).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Major Progress Limited and its ultimate beneficial owner(s) are Independent Third Parties.

The Buyer

The 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 shipping operation and investment holding.

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 Latest Practicable Date, 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, the Seller and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

VI. FINANCIAL EFFECT OF THE PROVISION OF GUARANTEES AND THE ACQUISITION OF THE TWO VESSELS

The provision of guarantees will not have any immediate effect on the earnings, assets and liabilities of the Company on the date of the Charter Guarantees. However, if the Obligors fail to perform their obligations under the Transaction Documents, the Company, as the guarantor, will be responsible for up to 50% of the principal sum, namely approximately USD73.1 million, as well as other Interests, obligations, liabilities and responsibilities in relation to the Charters, and such amount of liabilities will be recorded in the Group's statement of financial position.

Save as disclosed above, the Directors are of the view that the provision of guarantees under the Charter Guarantees will not have any material effects on the earnings, assets and liabilities of the Group.

LETTER FROM THE BOARD

In relation to the acquisition of the Two Vessels, it is expected that the Group's non-current assets will increase by approximately USD64,600,000, being the aggregate carrying value of the Two Vessels, whilst the Group's current assets will decrease and liabilities will increase due to the financing required for the acquisition of the Two Vessels. The Directors believe that the acquisition of the Two Vessels will have a positive impact on the earnings of the Group in the future.

VII. LISTING RULES IMPLICATIONS

Provision of guarantees

The Shareholder's Loan and Capital Contribution under the Joint Venture Arrangement and the provision of guarantees under the Charter Guarantees constitute a series of related transactions and shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of guarantees under the Charter Guarantees, when aggregated with the Shareholder's Loan and Capital Contribution under the Joint Venture Arrangement, are more than 25% but are less than 100%, the provision of guarantees under the Charter Guarantees constitutes a major transaction for 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.

Acquisition of the Two Vessels

Since both the Shipbuilding Contracts and the Previous Shipbuilding Contracts were entered into with the same Seller, the acquisition of the Two Vessels under the Shipbuilding Contracts and the Previous Shipbuilding Contracts 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 acquisition of the Two Vessels under the Shipbuilding Contracts, when aggregated with the Previous Shipbuilding Contracts, exceeds 25% but is less than 100%, the acquisition of the Two Vessels under the Shipbuilding Contracts 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the transactions contemplated under the Shipbuilding Contracts. 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 Shipbuilding Contracts. The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Charter Guarantees and the Shipbuilding

LETTER FROM THE BOARD

Contracts 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 Latest Practicable Date). The Closely Allied Group comprises the following Shareholders:

| Name of the Shareholders | Number of Shares interested | Percentage of shareholding |
|---|-----------------------------|----------------------------|
| Jin Qiu Holding Ltd. <i>(Note 1)</i> | 247,500,000 | 49.5% |
| Jin Chun Holding Ltd. <i>(Note 2)</i> | 11,250,000 | 2.25% |
| Jovial Alliance Limited <i>(Note 2)</i> | 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 transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts has been satisfied in lieu of a Shareholders' general meeting of the Company.

VIII. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts has been satisfied in lieu of a Shareholders' general meeting of the Company.

Nonetheless, the Directors would recommend the Shareholders to vote in favour of the resolutions approving the transactions contemplated under the Charter Guarantees and the Shipbuilding Contracts if a general meeting were to be convened by the Company.

LETTER FROM THE BOARD

IX. GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

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

1. FINANCIAL SUMMARY

Details of the financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 were disclosed in the following documents which have been published on both the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) as follows:

- the accountant's report of the Group for the year ended 31 December 2021 as set out in Appendix I to the Prospectus (pages I-1 to I-104) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0314/2023031400009.pdf>)
- the annual report of the Group for the year ended 31 December 2022 published on 28 April 2023 (pages 65 to 163) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800027.pdf>)
- the annual report of the Group for the year ended 31 December 2023 published on 26 April 2024 (pages 65 to 165) (available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603651.pdf>)

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at the close of business on 31 March 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

| | <i>Notes</i> | <i>USD'000</i> (Unaudited) |
|--|--------------|-------------------------------|
| Non-current portion of long-term borrowings | 1 | |
| — Secured | | 233,457 |
| — Unsecured | | <u>55</u> |
| <i>Sub-total</i> | | <u><u>233,512</u></u> |
| Current portion of long-term borrowings | 1 | |
| — Secured | | 22,387 |
| — Unsecured | | <u>10,010</u> |
| <i>Sub-total</i> | | <u><u>32,397</u></u> |
| Lease liabilities | 2 | |
| — Current | | 15,148 |
| — Non-current | | <u>47,162</u> |
| <i>Sub-total</i> | | <u><u>62,310</u></u> |
| Guarantees | | |
| An associate | 3 | <u>36,557</u> |
| Total | | <u><u><u>364,776</u></u></u> |

Notes:

1. As at 31 March 2024, the Group had an aggregate outstanding borrowing of approximately USD265,909,000 comprising: (a) outstanding borrowings of approximately USD255,844,000 which are secured by vessels and buildings; and (b) outstanding borrowings of approximately USD10,065,000 which are unsecured.
2. As at 31 March 2024, the Group had lease liabilities of approximately USD62,310,000 in respect of long term bareboat charters, offices and warehouses.
3. On 31 January 2024, the Company executed a letter of guarantee (the “**Letter of Guarantee**”) to guarantee the due performance of the obligations of an associate as the purchaser under a shipsales contract in favour of a contractor. On 30 January 2024, Zhejiang Xinyihai Shipping Company Limited* (浙江新一海海運有限公司) (“**Zhejiang Xinyihai**”) executed a counter security in favour of the Group, pursuant to which Zhejiang Xinyihai irrevocably agreed to pay to the Group 65% of any amount that the Group may have to pay under the Letter of Guarantee, which is in proportion with Zhejiang Xinyihai’s indirect interest in the associate. For details, please refer to the announcement of the Company dated 31 January 2024.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have at the close of business on 31 March 2024 any other debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up.

4. SUFFICIENCY OF WORKING CAPITAL

Taking into account the provision of guarantees contemplated under the Charter Guarantees, the acquisition of the Two Vessels as contemplated under the Shipbuilding Contracts and the financial resources available to the Group, including cash flow from operating activities, cash and cash equivalents, bank borrowings and finance lease arrangements normally available to the Group’s vessels, the Directors, after due and careful consideration, are of the opinion that the working capital available to the Group is sufficient for the Group’s requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP FOLLOWING THE PROVISION OF GUARANTEES AND ACQUISITION OF THE TWO VESSELS

In 2023, the Group has achieved a new milestone with the successful Listing. In the future, the Group will leverage its access to the capital market to actively expand and optimize its vessel fleet, setting up new offices in strategic locations and expand its current ship management operations, and adopt digital technologies and implement advanced information technology in its business operations, with a view to creating long-term value for the Shareholders.

As detailed in the section headed “IV. Reasons for and benefits of the provision of guarantees and the acquisition of the Two Vessels” in the letter from the Board contained in this circular, under the Transaction Documents, the Charterer is required to cause the Company to provide the Charter Guarantees to the benefit of the Owners as a security for the performance by the Charterer of its contractual obligations, liabilities and responsibilities under the Transaction Documents. The management of the Company is of the view that the provision of guarantees and other financial assistance enables the Charterer to enter into finance lease arrangements to obtain additional working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Charterer.

Having considered (i) the reasons for and the Group’s benefits of the establishment of the Charterer and the Charterer entering into the Transaction Documents; (ii) that the Group’s exposure under the Charter Guarantees is in proportion to the Group’s interest in the Charterer; and (iii) CSSCHK’s financial strength and ability to perform its obligations under the charter guarantees, the Directors are of the view that the terms of the Charter Guarantees, the provision of Capital Contribution and the Shareholder’s Loan are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

In addition, the Board considers that the acquisition of the Two Vessels under the Shipbuilding Contracts 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 and expand its controlled vessel fleet, and through such fleet optimization, the Group will be able to enhance its competitiveness in the maritime shipping industry and to cope with the market demand for its shipping services.

As charter rates are influenced by various macro-economic factors, one of the main growth drivers for the Group is the expansion of its controlled vessel fleet and chartered-in vessel fleet and proactively improve its market share and competitiveness. In 2023, nine additional vessels of the Group were put into operation with an increased combined weight carrying capacity of 473,175 dwt as compared with that at the end of 2022. As at the Latest Practicable Date, the Group has a controlled vessel fleet consisted of 29 vessels with a combined weight carrying capacity of approximately 1,390,000 dwt. As at the Latest Practicable Date, taking into account the transactions contemplated under the Shipbuilding Contracts, 21 vessels, which will constitute the Group’s controlled vessels after their delivery, are under construction, which will provide additional combined weight carrying

capacity of 737,400 dwt. It is expected that four, nine, five and three of such vessels will be delivered in 2024, 2025, 2026 and 2027, respectively. The Company believes that the above initiatives are expected to significantly improve the Group's shipping service ability.

The Baltic Dry Index (“**BDI**”) is an index of the daily average of international shipping prices of various dry bulk cargoes from key dry bulk routes published by The Baltic Exchange Limited in London, which is a main benchmark indicator of the market charter rates. The daily average BDI since the beginning of year 2024 up to 2 April 2024 and 15 April 2024 (being the dates of the Charter Guarantees and the Shipbuilding Contracts) are approximately 1,822.0 and 1,801.6, respectively, which are approximately 129.4% and 129.6% higher than the daily average BDI for the same period in 2019 of approximately 794.1 and 784.6, respectively, before the COVID-19 pandemic, and approximately 32.2% and 30.7% higher than the daily average BDI for the full year of 2023 of approximately 1,378.4, reflecting considerable profit potential.

Reference is also made to the Baltic Clean Tanker Index (the “**BCTI**”) published by The Baltic Exchange Limited in London, a composite of average charter rates from key routes travelled by clean tankers that transport petroleum and oil products. Since the renewal of conflicts in the Middle East and the ensuing disruption in oil-producing nations in the region in October 2023, the BCTI has generally trended higher. The daily average BCTI since the beginning of year 2024 up to 2 April 2024 and 15 April 2024 (being the dates of the Charter Guarantees and Shipbuilding Contracts) are approximately 1,066.2 and 1,049.2, respectively, which are approximately 66.9% and 65.2% higher than the daily average BCTI for the same period in 2023 of approximately 638.8 and 635.2, respectively, before the said renewal of conflicts, and approximately 33.2% and 31.1% higher than the average daily BCTI for the full year of 2023 of approximately 800.5.

The Directors believe that expansion of the Group's controlled vessel fleet by introducing the Two Vessels 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 addition, the Two Vessels are more fuel-efficient and of higher operational efficiency than certain existing chemical/oil tankers of the Group which the Group seeks to gradually phase out, which would meet the latest environmental regulations and prevailing specification requirements in the shipping industry. The Directors believe that through such fleet optimization, the Group will be able to enhance its competitiveness in the maritime shipping industry and to cope with the market demand for its shipping services.

Following the acquisition of the Two Vessels under the Shipbuilding Contracts, the Group will continue its principal business of the provision of shipping services and ship management services.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”)) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Company

| Name | Capacity/ Nature of interest | Number of Shares held ^(Note 1) | Percentage of shareholding ^(Note 1) |
|--|--|--|---|
| Mr. Guo Jinkui (“Mr. Guo”) ^(Note 2) | Founder of a discretionary trust; Interest in controlled corporations | 288,750,000 | 57.75% |
| Mr. Chen Zekai (“Mr. Chen”) ^(Note 3) | Founder of a discretionary trust; Interest in a controlled corporation | 75,000,000 | 15.0% |
| Mr. Zhao Yong (“Mr. Zhao”) ^(Note 4) | Interest in a controlled corporation | 7,500,000 | 1.5% |
| Mr. He Gang (“Mr. He”) ^(Note 5) | Interest in a controlled corporation | 3,750,000 | 0.75% |

Notes:

1. All interests stated are long positions.
2. The entire share capital of Jin Qiu Holding Ltd. (“**Jin Qiu**”) is wholly-owned by Shining Friends Limited (“**Shining Friends**”), which is wholly-owned by Tricor Equity Trustee Limited (“**Tricor Equity Trustee**”), the trustee of The J&Y Trust (“**The J&Y Trust**”), which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. (“**Jin Chun**”) and Jovial Alliance Limited (“**Jovial Alliance**”) are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in all the Shares held by Jin Qiu, Jin Chun and Jovial Alliance.

Mr Guo, an executive Director, is also the director of each of Jin Qiu, Jin Chun and Jovial Alliance.

3. The entire share capital of Kaimei Holding Ltd. (“**Kaimei Holding**”) is wholly-owned by Oceanic Flame Limited (“**Oceanic Flame**”), which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust (“**The CZK Trust**”), which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding Ltd. (“**CZK Holding**”) is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in all the Shares held by Kaimei Holding and CZK Holding.

Mr. Chen, an executive Director, is also the director of each of Kaimei Holding and CZK Holding.

4. Ruigao Holding Ltd. (“**Ruigao Holding**”) is 100% beneficially owned by Mr. Zhao. Accordingly, Mr. Zhao is deemed to be interested in the 7,500,000 Shares held by Ruigao Holding under the SFO.

Mr. Zhao, an executive Director, is also the director of Ruigao Holding.

5. Passion Wealth Ltd. (“**Passion Wealth**”) is 100% beneficially owned by Mr. He. Accordingly, Mr. He is deemed to be interested in the 3,750,000 Shares held by Passion Wealth under the SFO.

Mr. He, an executive Director, is also the director of Passion Wealth.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code in the Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in the Company

| Name | Capacity/ Nature of interest | Number of Shares held ^(Note 1) | Percentage of shareholding ^(Note 1) |
|---|--|--|---|
| Tricor Equity Trustee ^(Note 2) | Trustee of trusts | 318,750,000 | 63.75% |
| Shining Friends ^(Note 3) | Interest in a controlled corporation | 247,500,000 | 49.5% |
| Jin Qiu ^(Note 3) | Beneficial owner | 247,500,000 | 49.5% |
| Jovial Alliance ^(Note 3) | Beneficial owner | 30,000,000 | 6.0% |
| Oceanic Flame ^(Note 4) | Interest in a controlled corporation | 71,250,000 | 14.25% |
| Kaimei Holding ^(Note 4) | Beneficial owner | 71,250,000 | 14.25% |
| Ms. Li Xuyue ("Ms. Li") ^(Note 5) | Interest of spouse | 288,750,000 | 57.75% |
| Ms. Chen Meimei ("Ms. Chen") ^(Note 6) | Interest of spouse | 75,000,000 | 15.0% |

Notes:

1. All interests stated are long positions.
2. Tricor Equity Trustee is the trustee of The J&Y Trust and The CZK Trust, two trusts in total.
3. The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Tricor Equity Trustee, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun and Jovial Alliance are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in the 288,750,000 Shares held by Jin Qiu, Jin Chun and Jovial Alliance in aggregate.

4. The entire share capital of Kaimei Holding is wholly-owned by Oceanic Flame, which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in the 75,000,000 Shares held by Kaimei Holding and CZK Holding in aggregate.

5. Ms. Li is the spouse of Mr. Guo and is deemed, or taken to be, interested in all Shares in which Mr. Guo has interest in under the SFO.
6. Ms. Chen is the spouse of Mr. Chen and is deemed, or taken to be, interested in all Shares in which Mr. Chen has interest in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be, material:

- (a) a framework agreement and the supplemental agreements thereto dated 11 August 2023 entered into between the Company and Shanghai Lingang Xinpianqu Jingang Shengyuan Real Estate Co., Ltd.* (上海臨港新片區金港盛元置業有限公司) in respect of the sale and purchase of office buildings and parking slots for an aggregate consideration of RMB239,834,400;
- (b) a share transfer agreement dated 29 June 2023 entered into between Seacon Marine Pte. Ltd., Wealth & Glory Marine Pte. Ltd. and Seacon Enterprise Pte. Ltd. (“**Seacon Enterprise**”) in respect of the acquisition of 40% shareholding interest in Seacon Enterprise for the consideration of USD730,000;

- (c) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Huzhou Wuxing Tourism Development Co., Ltd.* (湖州吳興旅遊建設發展有限公司) (“**Huzhou Wuxing**”), Zhongtai International Capital Limited (“**Zhongtai Capital**”) and Zhongtai International Securities Limited (“**Zhongtai Securities**”), pursuant to which Huzhou Wuxing (through Orient Fund Management Co., Ltd.* (東方基金管理股份有限公司)) shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of USD12,000,000 divided by the offer price, as further described in the Prospectus;
- (d) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Guodian Shipping (Hong Kong) Company Limited (國電海運(香港)有限公司) (“**Guodian Shipping**”), Zhongtai Capital and Zhongtai Securities, pursuant to which Guodian Shipping shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of RMB20,000,000 divided by the offer price, as further described in the Prospectus;
- (e) a cornerstone investment agreement dated 9 March 2023 entered into among the Company, Danube Bridge Shipping Limited (“**Danube Bridge**”), Zhongtai Capital and Zhongtai Securities, pursuant to which Danube Bridge shall subscribe for such number of Shares which shall be equal to Hong Kong dollar equivalent of USD1,500,000 divided by the offer price, as further described in the Prospectus;
- (f) a deed of non-competition dated 2 March 2023 and executed by each of the controlling shareholders of the Company in favour of the Company regarding certain non-competition undertakings, as further described in the Prospectus;
- (g) a deed of indemnity dated 2 March 2023 and executed by each of the controlling shareholders of the Company in favour of the Company regarding certain indemnities, as further described in the Prospectus;
- (h) a Hong Kong underwriting agreement dated 13 March 2023 entered into by the Company, the controlling shareholders of the Company, Zhongtai Capital, Zhongtai Securities and the underwriters relating to the Hong Kong public offering involving underwriting commissions of 3% of the aggregate offer price and a discretionary fee of up to 3% of the aggregate offer price under the Hong Kong public offering, as further described in the Prospectus; and
- (i) an international underwriting agreement dated 18 March 2023 entered into by the Company, the controlling shareholders of the Company, Zhongtai Capital, Zhongtai Securities and the underwriters relating to the international placing involving underwriting commissions of 3% of the aggregate offer price and a discretionary fee of up to 3% of the aggregate offer price under the international placing, as further described in the Prospectus.

7. LITIGATION

As at the Latest Practicable Date, save as disclosed below, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group:

In May 2023, a customer filed a lawsuit with Guangzhou Maritime Court of the PRC against (i) Seacon Ships Management Co., Limited (香港洲際船舶管理有限公司), a wholly-owned subsidiary of the Company; (ii) Seacon Ships Management Pte. Ltd., a wholly-owned subsidiary of the Company; and (iii) Taiping & Sinopec TJ19 Shipping Leasing Co., Ltd.* (太平十九號(天津)航運租賃有限公司) concerning a dispute over cargo shortage and claimed for compensation of approximately RMB1.8 million together with interest and legal costs. As at the Latest Practicable Date, these legal proceedings are ongoing and the claim is on trial.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

- (a) the Charter Guarantees;
- (b) the Transaction Documents;
- (c) Shipbuilding Contract 1; and
- (d) Shipbuilding Contract 2.

9. MISCELLANEOUS

- (a) The Company's registered office is at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 23/F, Block B, Building 3, No. 20 Zhuzhou Road, Laoshan District, Qingdao City, Shandong Province, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at Unit No. 2010, 20/F, West Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong.

- (d) The branch share register and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The joint company secretaries of the Company are Ms. Sun Yufeng and Ms. Chan Sze Ting. Ms. Chan Sze Ting is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and an Associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom.
- (f) In case of any inconsistency between English and Chinese versions of this circular, the English version shall prevail.