

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 EXERCISE OF OPTION TO PURCHASE A VESSEL

EXERCISE OF OPTION TO PURCHASE A VESSEL

Reference is made to the Company's announcement dated 8 April 2024 in relation to the disposal of the Vessel, which was then chartered to the Charterer, an indirect wholly-owned subsidiary of the Company.

The Board announces that on 3 June 2024 (after trading hours of the Stock Exchange), the Charterer entered into the Agreement with the Shipowner, pursuant to which the Charterer exercised the Purchase Option under the Bareboat Charter to purchase the Vessel from the Shipowner for an exercise price of approximately USD27,543,000. The Vessel acquired by the Charterer by exercising the Purchase Option would be further delivered to the relevant buyer in the Disposal.

LISTING RULES IMPLICATIONS

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 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.

INTRODUCTION

Reference is made to the Announcement in relation to the disposal of the Vessel, which was then chartered to the Charterer, an indirect wholly-owned subsidiary of the Company.

The Board announces that on 3 June 2024 (after trading hours of the Stock Exchange), the Charterer entered into the Agreement with the Shipowner, pursuant to which the Charterer exercised the Purchase Option to purchase the Vessel from the Shipowner for the Exercise Price. The Vessel acquired by the Charterer by exercising the Purchase Option would be further delivered to the relevant buyer in the Disposal.

EXERCISE OF OPTION TO PURCHASE A VESSEL

The principal terms of the Agreement are as follows:

Date

3 June 2024 (after trading hours of the Stock Exchange)

Parties

The Shipowner and the Charterer

Subject matter

The Vessel, a 34,827 dwt chemical/oil carrier built in 2022. For further details on the Vessel, please refer to the Announcement.

Consideration

The exercise price of approximately USD27,543,000, which shall be paid by the Charterer to the Shipowner on or prior to the Delivery Date. The Delivery Date is currently scheduled on 4 June 2024.

Pursuant to the Agreement, on the condition that the Shipowner has fully received the Exercise Price and the accrued and unpaid hire under the Bareboat Charter up to the Delivery Date, the chartering of the Vessel under the Bareboat Charter shall terminate, and the Vessel shall be deemed to have been redelivered by the Charterer to the Shipowner. Immediately upon the said redelivery, the title of the Vessel shall be transferred from the Shipowner to the Charterer.

The consideration was determined after arm's length negotiations between the Shipowner and the Charterer taking into account (1) the terms in relation to the calculation of the Exercise Price in the Bareboat Charter, (2) the purchase price of USD36,000,000 offered by the relevant buyer for the Vessel in the Disposal, (3) the price of recently reported sale of second hand chemical/oil carriers with similar size and year of build conducted in the market, and (4) 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 EXERCISE OF PURCHASE OPTION

As disclosed in the Announcement, the Charterer intended to acquire the Vessel which has been chartered to the Charterer for the Disposal by exercising the Purchase Option. The Vessel acquired by the Charterer by exercising the Purchase Option would be further delivered to the relevant buyer in 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 Charterer

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 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 Shipowner

The Shipowner is a company incorporated according to the laws of the Republic of Marshall Islands, which is principally engaged in leasing business. It is controlled as to over two-thirds by AVIC Industry-Finance Holdings Co., Ltd., 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, there is no other ultimate beneficial owner controlling one-third or more of the Shipowner, and the Shipowner and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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 exceeds 5% but is less than 25%, the exercise of Purchase Option of the Vessel 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 agreement dated 3 June 2024 entered into between the Shipowner and the Charterer in relation to the exercise of the Purchase Option
“Announcement”	the Company’s announcement dated 8 April 2024
“Bareboat Charter”	the bareboat charter dated 15 September 2021 in relation to the charter of the Vessel by the Charterer from the Shipowner
“Board”	the board of Directors
“Charterer”	Golden Lavender Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Company”	Seacon Shipping Group Holdings Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409)
“Delivery Date”	the date of delivery and transfer of title of the Vessel by the Shipowner to the Charterer
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Vessel pursuant to the memorandum of agreement dated 8 April 2024, the details of which were disclosed in the Announcement
“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
“Exercise Price”	approximately USD27,543,000
“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
“Purchase Option”	the purchase option granted by the Shipowner to the Charterer to purchase the Vessel under the Bareboat Charter
“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
“Shipowner”	Bright Flax Shipping Limited, the shipowner of the Vessel until the exercise of the Purchase Option
“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”	GOLDEN LAVENDER, a 34,827 dwt chemical/oil carrier built in 2022
“%”	per cent

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

Hong Kong, 3 June 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.