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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE REMAINING 40% SHAREHOLDING INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of the Company dated 28 August 2023 in relation to the Acquisition (the “**Announcement**”). Capitalized terms used in this announcement shall bear the same meanings as defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, the consideration of the Acquisition was determined after arm’s length negotiation between the Purchaser and the Seller taking into account the (i) original acquisition cost of the Target Shares to the Seller of S\$320,000; (ii) unaudited net loss of the Target Company for the six months ended 30 June 2023; (iii) unaudited net liabilities of the Target Company as at 30 June 2023; and (iv) overall financial performance, business operation and prospects of the Target Company.

The Company wishes to provide the following supplemental information in relation to the basis for the Purchaser and the Seller in determining and the Company in assessing the reasonableness and fairness of the consideration of the Acquisition:

In the first half of 2023, due to the combined effect of slowdown in the global economy, geopolitical events and other factors, the demand for shipping services decreased and the daily average Baltic Dry Index declined from approximately 2,279 points for the six months ended 30 June 2022 to approximately 1,157 points for the six months ended 30 June 2023. While the Target Company was loss-making for the six months ended 30 June 2023, its financial performance has been satisfactory and it recorded net profits of approximately USD16.0 million and USD4.0 million for the years ended 31 December 2021 and 2022, respectively. As such, weight should be given to the historical profitability and future prospects of the Target Company given the cyclicity of the shipping industry

and the loss-making position of the Target Company for the six months ended 30 June 2023 might not itself be a comprehensive indicator of the overall profitability of the Target Company.

Also, while the Target Company was in a net liabilities position as at 30 June 2023, it recorded net assets of approximately USD10.2 million and USD11.0 million as at 31 December 2021 and 2022, respectively. The net liabilities position of the Target Company as at 30 June 2023 was mainly due to the declaration of cash dividend for fiscal year 2022 of approximately USD10.4 million and the net loss recorded by the Target Company for the six months ended 30 June 2023. For the years ended 31 December 2021 and 2022, the Target Company has also declared cash dividend of USD8 million and approximately USD3.2 million, respectively.

In addition, given that the Target Company is a major operating subsidiary of the Group, the Acquisition enables the Group to enhance its control over the management and operations of the Target Company and avoid the transfer of the Target Shares to any third party.

Furthermore, although the consideration of the Acquisition of USD730,000 represents approximately 307% of the original acquisition cost of the Target Shares to the Seller of S\$320,000, it is relatively insignificant compared to the profits and the dividends declared by the Target Company for the past two years.

Taking into account the abovementioned factors, the Purchaser and the Seller have determined the consideration after arm's length negotiation and the Directors believe that the terms of the transaction contemplated under the Agreement are fair and reasonable and the Acquisition is on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 6 September 2023

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.