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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)

DISCLOSEABLE TRANSACTION PROVISION OF GUARANTEE

PROVISION OF GUARANTEE

On 31 January 2024, the Company, as guarantor, executed the Letter of Guarantee, pursuant to which the Company has agreed to, jointly and severally with Hongkong Xinyihai (an associate company of the Company), guarantee the due performance of the obligations of Hongkong Xinyihai (as purchaser) under the Shipsales Contract in favour of Lepta Shipping (as contractor). Under the Shipsales Contract, Hongkong Xinyihai shall pay a purchase price not exceeding JPY5,500,000,000 to Lepta Shipping for the purchase of a chemical tanker.

As of the date of this announcement, Hongkong Xinyihai is owned as to 65% by Hongkong Zhoushan Yihai, a wholly-owned subsidiary of Zhejiang Xinyihai, and as to 35% by Seacon Shipping, an indirect wholly-owned subsidiary of the Company. On 30 January 2024, Zhejiang Xinyihai also executed a Counter Security in favour of the Company, pursuant to which Zhejiang Xinyihai irrevocably agreed to pay to the Company 65% of any amount that the Company may have to pay under the Letter of Guarantee, which is in proportion with Zhejiang Xinyihai's indirect interest in Hongkong Xinyihai.

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

LISTING RULES IMPLICATIONS

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 guarantee under the Letter of Guarantee are more than 5% but are less than 25%, the provision of guarantee under the Letter of Guarantee constitutes a discloseable transaction for 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.

PROVISION OF GUARANTEE

On 31 January 2024, the Company, as guarantor, executed the Letter of Guarantee, pursuant to which the Company has agreed to, jointly and severally with Hongkong Xinyihai (an associate company of the Company), guarantee the due performance of the obligations of Hongkong Xinyihai (as purchaser) under the Shipsales Contract in favour of Lepta Shipping (as contractor). Under the Shipsales Contract, Hongkong Xinyihai shall pay a purchase price not exceeding JPY5,500,000,000 to Lepta Shipping for the purchase of a chemical tanker.

THE LETTER OF GUARANTEE

The material terms of the Letter of Guarantee are as follows:

Date: 31 January 2024

Subject matter: the Company, as guarantor, agreed to, jointly and severally with Hongkong Xinyihai, provide guarantee for the due performance of the obligations of Hongkong Xinyihai under the Shipsales Contract in favour of Lepta Shipping. The Letter of Guarantee covers all the obligations, liabilities and responsibilities of Hongkong Xinyihai under the Shipsales Contract. Under the Shipsales Contract, Hongkong Xinyihai shall pay a purchase price not exceeding JPY5,500,000,000 to Lepta Shipping for the purchase of a chemical tanker.

Term of guarantee: from 31 January 2024, being the date of execution of the Shipsales Contract, until all obligations of Hongkong Xinyihai shall have been fulfilled and shall expire upon the successful delivery (which is expected to be on or before 31 March 2027) and acceptance of the vessel under the Shipsales Contract.

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

Under the Shipsales Contract, Hongkong Xinyihai is required to cause the Company to provide a corporate performance guarantee to the benefit of Lepta Shipping as a security for the performance by Hongkong Xinyihai of its contractual obligations, liabilities and responsibilities under the Shipsales Contract. The management of the Company is of the view that the market conditions supporting the demand for chemical products will improve, which in turn will drive the global demand of logistics service for chemical products. By acquiring a chemical tanker under the Shipsales Contract, the shipping capacity of Hongkong Xinyihai for chemical products will increase, and Hongkong Xinyihai will be able to better meet market demand for its shipping services for chemical products, which is expected to generate additional economic benefits to the Group and is in line with the Group's overall business strategy and interest in the long run.

As of the date of this announcement, Hongkong Xinyihai is owned as to 65% by Hongkong Zhoushan Yihai, a wholly-owned subsidiary of Zhejiang Xinyihai, and as to 35% by Seacon Shipping, an indirect wholly-owned subsidiary of the Company. On 30 January 2024, Zhejiang Xinyihai also executed a Counter Security in favour of the Company, pursuant to which Zhejiang Xinyihai irrevocably agreed to pay to the Company 65% of any amount that the Company may have to pay under the Letter of Guarantee, which is in proportion with Zhejiang Xinyihai's indirect interest in Hongkong Xinyihai. Zhejiang Xinyihai is a company incorporated under the laws of the PRC which is principally engaged in maritime cargo transportation, and has a registered capital of RMB500,000,000. Zhejiang Xinyihai is ultimately owned by Zhoushan Communications Investment Group Co., Ltd.* (舟山交通投資集團有限公司), a state-owned enterprise managed by Zhoushan State-owned Assets Supervision and Administration Commission* (舟山市國有資產監督管理委員會).

Having taken into consideration of: (i) the reasons for and the Group's benefits of Hongkong Xinyihai entering into the Shipsales Contract; (ii) that the Group's exposure under the Letter of Guarantee, taking into account the Counter Security, is in proportion to the Group's interest in Hongkong Xinyihai; (iii) Hongkong Xinyihai's financial and cash flow position and ability to perform its obligations under the Shipsales Contract; and (iv) Zhejiang Xinyihai's financial strength and ability to perform its obligations under the Counter Security, the Directors are of the view that the terms of the Letter of Guarantee are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, HONGKONG XINYIHAI AND LEPTA SHIPPING

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.

Hongkong Xinyihai 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.

Lepta Shipping is a corporation organised and existing under the laws of Liberia. Lepta Shipping is principally engaged in shipping businesses and is a subsidiary of Mitsui & Co., Ltd. (三井物産株式會社), a company listed on the Tokyo Stock Exchange (stock code: 8031). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Lepta Shipping and its ultimate beneficial owner(s) are Independent Third Parties.

LISTING RULES IMPLICATIONS

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 guarantee under the Letter of Guarantee are more than 5% but are less than 25%, the provision of guarantee under the Letter of Guarantee constitutes a discloseable transaction for 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 otherwise requires, capitalized terms used shall have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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)
“Counter Security”	the letter of irrevocable counter security dated 30 January 2024 executed by Zhejiang Xinyihai in favour of the Company, pursuant to which Zhejiang Xinyihai irrevocably agreed to pay to the Company 65% of any amount that the Company may have to pay under the Letter of Guarantee
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hongkong Xinyihai”	Hongkong Xinyihai 55 Co., Limited (香港新一海55有限公司), a company incorporated under the laws of Hong Kong with limited liability and an associate company of the Company, which is owned as to 35% by Seacon Shipping and 65% by Hongkong Zhoushan Yihai
“Hongkong Zhoushan Yihai”	Hongkong Zhoushan Yihai Shipping Co., Limited (香港舟山一海海運有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Zhejiang Xinyihai
“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
“JPY”	Japanese yen, the lawful currency of Japan
“Lepta Shipping”	Lepta Shipping Co., Ltd, a corporation organised and existing under the laws of Liberia
“Letter of Guarantee”	the letter of guarantee dated 31 January 2024 executed by the Company as guarantor, pursuant to which the Company has agreed to, jointly and severally with Hongkong Xinyihai, guarantee the due performance of the obligations of Hongkong Xinyihai under the Shipsales Contract in favour of Lepta Shipping
“Liberia”	the Republic of Liberia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“PRC”	The People’s Republic of China
“Seacon Shipping”	Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	the holder(s) of the Shares

“Share(s)”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Shipsales Contract”	the contract for the sale of a chemical tanker dated 31 January 2024 entered into between Hongkong Xinyihai as purchaser and Lepta Shipping as contractor
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Xinyihai”	Zhejiang Xinyihai Shipping Company Limited* (浙江新一海海運有限公司), a company incorporated under the laws of the PRC
“%”	per cent

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

Hong Kong, 31 January 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*