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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 TRANSACTION PROVISION OF GUARANTEES AND DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

PROVISION OF GUARANTEES

The Board announces that 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.

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.

The Charterer is a joint venture company incorporated in Hong Kong with limited liability. As at the date of this announcement, 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. Apart from the Charter Guarantees, the Group will also provide Capital Contribution and the Shareholder's Loan of up to approximately USD13.0 million to the Charterer pursuant to the Joint Venture Arrangement.

LISTING RULES IMPLICATIONS

Since all the Charter Guarantees constituted financial assistance provided to the Charterer, the provision of guarantees under the Charter Guarantees 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, 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.

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 Capital Contribution and the Shareholder's Loan exceeds 5% but is less than 25%, such transactions constitute a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Group has provided financial assistance to the Charterer, in the form of the Charter Guarantees and the Shareholder's Loan, which exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). Accordingly, the Company is further disclosing in this announcement the information prescribed under Rule 13.16 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 Charter Guarantees. 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 Charter Guarantees. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Charter Guarantees 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 date of this announcement). 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 has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Charter Guarantees and the transaction contemplated thereunder; and (ii) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 24 April 2024.

PROVISION OF GUARANTEES

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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.

THE 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

- (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 Obligors 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 and when all money owed by the Obligors to the Owners in connection with the relevant vessel has been paid in full and no obligation of the Obligors of any nature in connection with the Transaction Documents or with the relevant vessel remain unperformed or undischarged, whichever the later.

FURTHER DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

As at the date of this announcement, the Group has provided financial assistance to the Charterer in the form of the Charter Guarantees and the Shareholder's Loan, which exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). Accordingly, the Company is further disclosing in this announcement the information prescribed under Rule 13.16 of the Listing Rules as follows:

The Charterer is a joint venture company incorporated in Hong Kong with limited liability. As at the date of this announcement, 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.

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. Upon the acquisition of the Four Vessels by the Charterer, the total Shareholder's Loan committed to be provided by the Group is up to approximately USD13.0 million. 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.

REASONS FOR AND BENEFITS OF THE 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 date of this announcement, 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.

INFORMATION ON THE PARTIES

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.

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.

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 date of this announcement, the Charterer is owned as to 50% by both Major Progress Limited and Seacon Shipinvest, an indirect wholly-owned subsidiary of the Company.

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.

LISTING RULES IMPLICATIONS

Since all Charter Guarantees constituted financial assistance provided to the Charterer, the provision of guarantees under the Charter Guarantees 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 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.

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 Capital Contribution and the Shareholder's Loan, exceeds 5% but is less than 25%, such transactions constitute a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement 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 Charter Guarantees. 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 Charter Guarantees. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Charter Guarantees 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 date of this announcement). 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 has been satisfied in lieu of a Shareholders' general meeting of the Company.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Charter Guarantees and the transaction contemplated thereunder; and (ii) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 24 April 2024.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors
“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
“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)
“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 date of this announcement)
“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)

“Director(s)”	the director(s) of the Company
“Four Vessels”	collectively, four 50,000 dwt oil/chemical tankers
“Group”	the Company together with 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum of Agreements”	collectively, four memorandum of agreement dated 2 April 2024 entered into between the Owners and the Charterer, pursuant to which the Owner have 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
“Parties”	collectively, the Company, the Owners, the Charterer and Major Progress Limited

“PRC”	The People’s Republic of China
“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
“Share(s)”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) 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
“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
“United States”	The United States of America
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 2 April 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.