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## **CSSC (Hong Kong) Shipping Company Limited**

**中國船舶（香港）航運租賃有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 3877)**

**ISSUE OF US\$400,000,000 2.50% GUARANTEED BONDS DUE 2025**

**ISSUE OF US\$400,000,000 3.00% GUARANTEED BONDS DUE 2030**

**BY CSSC CAPITAL 2015 LIMITED**

Reference is made to the announcement of the Company dated 4 February 2020 in respect of the proposed Bonds Issue by the Issuer to be unconditionally and irrevocably guaranteed by the Company.

On 6 February 2020, the Issuer and the Company entered into the Subscription Agreement with Bank of China (Hong Kong) Limited, Barclays, CCB International, DBS Bank Ltd., Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch, CNCB Capital, ICBC International, China Securities International, ABC International, CLSA, China International Capital Corporation and BOCOM International in connection with the issue of US\$400,000,000 2.50% guaranteed bonds due 2025 and US\$400,000,000 3.00% guaranteed bonds due 2030.

The Group intends to use the net proceeds of the Bonds Issue primarily to develop its leasing business and refinance its existing indebtedness. The Group may adjust its plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

Application will be made for a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

Reference is made to the announcement of the Company dated 4 February 2020 in respect of the proposed Bonds Issue. The Board is pleased to announce that on 6 February 2020, the Issuer and the Company entered into the Subscription Agreement with Bank of China (Hong Kong) Limited, Barclays, CCB International, DBS Bank Ltd., Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch, CNCB Capital, ICBC International, China Securities International, ABC International, CLSA, China International Capital Corporation and BOCOM International in connection with the issue of US\$400,000,000 2.50% guaranteed bonds due 2025 and US\$400,000,000 3.00% guaranteed bonds due 2030.

## **THE SUBSCRIPTION AGREEMENT**

Date: 6 February 2020

### **Parties to the Subscription Agreement**

- (a) the Issuer, a direct wholly-owned subsidiary of the Company;
- (b) the Company as the guarantor;
- (c) Bank of China (Hong Kong) Limited;
- (d) Barclays;
- (e) CCB International;
- (f) DBS Bank Ltd.;
- (g) Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch;
- (h) CNCB Capital;
- (i) ICBC International;
- (j) China Securities International;
- (k) ABC International;
- (l) CLSA;
- (m) China International Capital Corporation; and
- (n) BOCOM International.

Barclays, Bank of China (Hong Kong) Limited, CCB International, DBS Bank Ltd. have been appointed as the joint global coordinators and, together with Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch, CNCB Capital, ICBC International, China Securities International, ABC International, CLSA, China International Capital Corporation and BOCOM International, the joint bookrunners and joint lead managers in respect of the offer and sale of the Bonds. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Bank of China (Hong Kong) Limited, Barclays, CCB International, DBS Bank Ltd., Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch, CNCB Capital, ICBC International, China Securities International, ABC International, CLSA, China International Capital Corporation and BOCOM International is an independent third party and not a connected person of the Company and its connected persons.

The Bonds and the Parent Guarantee have not been, and will not be, registered under the Securities Act. The Bonds will only be offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Bonds will be offered to the public in Hong Kong.

### **Principal terms of the Bonds**

The following is a summary of certain provisions of the Bonds and the Trust Deed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Trust Deed, the Bonds and the Parent Guarantee, if any.

- Aggregated principal amount:
- (i) in respect of the 2025 Bonds, US\$400,000,000; and
  - (ii) in respect of the 2030 Bonds, US\$400,000,000.
- Offer price:
- (i) in respect of the 2025 Bonds, 99.641% of the principal amount of the 2025 Bonds and accrued interest, if any; and
  - (ii) in respect of the 2030 Bonds, 99.692% of the principal amount of the 2030 Bonds and accrued interest, if any.
- Settlement date: 13 February 2020

- Interest rate:
- (i) in respect of the 2025 Bonds, 2.50% per annum, payable semi-annually in arrears on 13 February and 13 August of each year, commencing on 13 August 2020; and
  - (ii) in respect of the 2030 Bonds, 3.00% per annum, payable semi-annually in arrears on 13 February and 13 August of each year, commencing on 13 August 2020.
- Maturity:
- (i) in respect of the 2025 Bonds, 13 February 2025; and
  - (ii) in respect of the 2030 Bonds, 13 February 2030.

### ***Status of the Bonds***

Each series of the Bonds will constitute direct, unsubordinated, unconditional, and (subject to negative pledge covenant under the Conditions of the relevant series of Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under each series of the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to the negative pledge covenant under the Conditions of the relevant series of Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

### ***Guarantee of the Bonds***

The Company will, when the relevant series of the Bonds are issued, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Trust Deed for the relevant series and the relevant series of the Bonds. The obligation of the Company under the Parent Guarantee for relevant series of the Bonds will, save for such exceptions as may be provided by applicable laws and regulations and subject to the negative pledge covenant under the Conditions of the relevant series of Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### ***Negative Pledge***

So long as the relevant series of the Bonds remains outstanding (as defined in the Trust Deed for the relevant series of the Bonds), neither the Issuer nor the Company will, and each of the Issuer and the Company will ensure that none of its subsidiaries will, create, or have outstanding any mortgage, charge, pledge, lien or other security interest (save for a permitted security interest), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, in any case without at the same time or prior thereto, according to each series of the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as either (A) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the bondholders or (B) shall be approved by an extraordinary resolution (as defined in the Trust Deed for the relevant series of the Bonds) of the bondholders of the relevant series.

### ***Events of Default***

Each series of the Bonds contain certain customary events of default, including default in the payment of principal or of any premium on each series of the Bonds, when such payments become due, default in payment of interest which continues for a period of 15 calendar days, breaches of covenants, insolvency and other events of default specified in the Trust Deed for the relevant series of the Bonds. If an event of default occurs and is continuing, the trustee under the Trust Deed for the relevant series of the Bonds, or the holders of at least 25% of the aggregate principal amount of the respective series of the Bonds may declare the principal of the respective series of the Bonds plus any accrued and unpaid interest to be immediately due and payable.

### ***Redemption at Maturity***

Unless previously redeemed, or purchased and cancelled in accordance with Conditions, each series of the Bonds will be redeemed at their principal amount on the maturity date.

### ***Redemption for Taxation Reasons***

Each series of the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "Tax Redemption Notice") to the Bondholders of the relevant series of Bonds in accordance with the Conditions of the relevant series of the Bonds (which notice shall be irrevocable) and in writing to the Trustee and the principal paying agent, at their principal amount (together with any interest accrued to but excluding the date fixed for redemption), if the Issuer or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that:

- (i) the Issuer (or, if the Guarantee were called upon, the Guarantor) has or will become obliged to pay additional tax amounts as provided or referred to in the Conditions of the relevant series of the Bonds as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 6 February 2020; and
- (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional tax amounts were a payment in respect of the relevant series of Bonds (or the Guarantee for the relevant series of the Bonds, as the case may be) then due.

### ***Redemption for Change of Control***

At any time following the occurrence of a change of control as defined in the Conditions for the relevant series of the Bonds, the holder of any Bond of the relevant series will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds of the relevant series on the put settlement date at 101 per cent. of their principal amount, together with any interest accrued to but excluding such put settlement date.

### ***Make Whole Redemption***

The Issuer may redeem each series of the Bonds, in whole, but not in part, at any time upon giving not less than 15 nor more than 45 days' notice to the bondholders of the relevant series of the Bonds in accordance with the Conditions of the relevant series of the Bonds and in writing to the Trustee and the principal paying agent (which notice shall be irrevocable (subject to the proviso contained in the Conditions of the relevant series of the Bonds)), at a redemption price equal to their make whole redemption price (as defined in the Conditions of the relevant series of the Bonds).

### ***Clean-up Call***

Each series of the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 nor more than 45 days' notice to the bondholders of the relevant series of the Bonds (which notice shall be irrevocable), at their principal amount, together with any interest accrued to but excluding the date fixed for redemption, if immediately before giving such notice, at least 90 per cent. in principal amount of the relevant series of the Bonds originally issued (including any further Bonds issued pursuant to the Conditions of the relevant series of the Bonds) has already been previously redeemed, or repurchased and cancelled.

### **REASONS FOR THE BONDS ISSUE**

The Group intends to use the net proceeds of the Proposed Bonds Issue primarily to develop its leasing business and refinance its existing indebtedness. The Group may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

### **LISTING**

The Issuer will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“2025 Bonds”	the US\$400,000,000 guaranteed bonds due 2025 to be issued by the Issuer
“2030 Bonds”	the US\$400,000,000 guaranteed bonds due 2030 to be issued by the Issuer
“ABC International”	ABCI Capital Limited
“Bank of China (Hong Kong) Limited”	Bank of China (Hong Kong) Limited
“Barclays”	Barclays Bank PLC
“Board”	the board of Directors
“BOCOM International”	BOCOM International Securities Limited
“Bonds”	the 2025 Bonds and the 2030 Bonds
“Bonds Issue”	the issue of the Bonds by the Issuer
“CCB International”	CCB International Capital Limited
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited
“China Securities International”	China Securities (International) Corporate Finance Company Limited
“CLSA”	CLSA Limited
“CNCB Capital”	CNCB (Hong Kong) Capital Limited
“Company”	CSSC (Hong Kong) Shipping Company Limited (中國船舶(香港)航運租賃有限公司), a company incorporated under the laws of Hong Kong with limited liability on 25 June 2012, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3877)
“Conditions”	the terms and conditions of the Bonds
“DBS Bank Ltd.”	DBS Bank Ltd.
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC International”	ICBC International Securities Limited
“Issuer”	CSSC Capital 2015 Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company
“Parent Guarantee”	the unconditional and irrevocable guarantee to be provided by the Company for the due and punctual payment by the Issuer of the principal of, premium, if any, interest on, and all other amounts payable under the Bonds
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this announcement
“Relevant Indebtedness”	any debt issues outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which, for the avoidance of doubt, does not include bilateral loans, syndicated loans or club deal loans)
“Securities Act”	the United States Securities Act of 1933, as amended
“Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch”	Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 6 February 2020 entered into by and between the Issuer, the Company, Bank of China (Hong Kong) Limited, Barclays, CCB International, DBS Bank Ltd., Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch, CNCB Capital, ICBC International, China Securities International, ABC International, CLSA, China International Capital Corporation and BOCOM International in relation to the Bonds Issue

“Trust Deed”	the written agreement entered into between the Issuer, the Company and Bank of Communications Trustee Limited as trustee, that specifies the terms and conditions of each series of the Bonds including the covenants, events of default, interest rate of the Bonds and the maturity date
“US\$”	United States dollar(s), the lawful currency of the United State
“U.S.” or “United States”	the United States of America
“%”	per cent.

By order of the Board  
**CSSC (Hong Kong) Shipping Company Limited**  
**Yang Li**  
*Chairman*

Hong Kong, 7 February 2020

*As at the date of this announcement, the Board comprises Mr. Yang Li and Mr. Hu Kai as executive Directors, Mr. Li Wei, Mr. Zhong Jian and Mr. Zou Yuanjing as non-executive Directors, and Dr. Wong Yau Kar David, Mdm. Shing Mo Han Yvonne and Mr. Li Hongji as independent non-executive Directors.*