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**CSSC (Hong Kong) Shipping Company Limited**  
**中國船舶集團(香港)航運租賃有限公司**

*(formerly known as 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)**

**DISCLOSEABLE TRANSACTIONS**  
**IN RELATION TO**  
**THE SALE AND LEASEBACK OF TWO VESSELS**

The Board is pleased to announce that, on 15 August 2023, Fortune Energetic I and Fortune Energetic II, being the Company's wholly-owned SPVs, have entered into the Memorandums of Agreement and the Bareboat Charters with, among others, the Charterers, pursuant to which Fortune Energetic I and Fortune Energetic II have agreed to (i) purchase the Vessels from the Charterers at the Consideration; and (ii) lease back the Vessels to the Charterers at a total estimated charterhire to be payable by the Charterers of approximately US\$172,392,000 (including estimated lease interest of approximately US\$51,392,000).

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions contemplated under the Memorandums of Agreement and the Bareboat Charters is more than 5% but less than 25%, the transactions contemplated under the Memorandums of Agreement and the Bareboat Charters constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules but are exempt from the shareholders' approval requirement.

## 1. INTRODUCTION

The Board is pleased to announce that, on 15 August 2023, Fortune Energetic I and Fortune Energetic II, being the Company's wholly-owned SPVs, have entered into the Memorandums of Agreement and the Bareboat Charters with, among others, the Charterer, pursuant to which Fortune Energetic I and Fortune Energetic II have agreed to (i) purchase the Vessels from the Charterers at the Consideration; and (ii) lease back the Vessels to the Charterers at a total estimated charterhire to be payable by the Charterers of approximately US\$172,392,000 (including estimated lease interest of approximately US\$51,392,000).

## 2. DETAILS OF THE MEMORANDUMS OF AGREEMENT AND THE BAREBOAT CHARTERS

### **Date**

15 August 2023

### **Parties**

**Buyers/Owners** Fortune Energetic I and Fortune Energetic II, being the Company's wholly-owned SPVs

**Sellers/Charterers** Landbridge Transportation Limited and Landbridge Universal Limited, which are limited liability companies incorporated under the laws of Hong Kong, and are ultimately and wholly owned by Mr. Ye Zihao

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Charterers and their ultimate beneficial owners are Independent Third Parties.

## **Subject Matter**

The Charterers have agreed to sell the Vessels to Fortune Energetic I and Fortune Energetic II at the Consideration, which is expected to be settled with the internal funds of Fortune Energetic I and Fortune Energetic II as well as bank borrowings. At the same time, Fortune Energetic I and Fortune Energetic II have agreed to lease back the Vessels to the Charterers at a total estimated charterhire to be payable by the Charterers of approximately US\$172,392,000 (including estimated lease interest of approximately US\$51,392,000). Upon expiration of the Charter Period, the Charterers are obliged to purchase the Vessels from Fortune Energetic I and Fortune Energetic II at a consideration as agreed by the parties under the Bareboat Charters.

## **Vessels**

The Vessels are two crude oil tankers, and are of an aggregate value of US\$201,667,000, which is calculated based on the average market value of the Vessels in the valuation reports prepared by the qualified valuers appointed by the Owners and the Charterers.

The Vessels are expected to be delivered by August 2023.

## **Charter Period**

The Charter Period shall be a period of 84 and 108 months commencing from the respective Delivery Dates.

## **Charterhire and Interest**

Pursuant to the Bareboat Charters, Fortune Energetic I and Fortune Energetic II have agreed to lease back the Vessels to the Charterers at a total estimated charterhire to be payable by the Charterers of approximately US\$172,392,000 (including estimated lease interest of approximately US\$51,392,000), which shall be payable by the Charterers in 84 and 108 installments respectively.

The terms of the Memorandums of Agreement and the Bareboat Charters (including the purchase price of the Vessels, the charterhire, the charterhire interest and other expenses thereunder) were determined after arm's length negotiation between the Charterers and Fortune Energetic I and Fortune Energetic II, with reference to (i) the aggregate shipbuilding price of the Vessels pursuant to the relevant shipbuilding contracts; and (ii) the prevailing market price of comparable financial leasing services in the industry.

### **Charter Guarantee**

In connection with the transactions contemplated under the Memorandums of Agreement and the Bareboat Charters, two deeds of charter guarantee were entered into by the Guarantor in favor of the respective Owners, pursuant to which the Guarantor have irrevocably and unconditionally guaranteed, among others, the punctual performance by the Charterers of all their obligations under the transaction documents and of the guaranteed liabilities of the Charterers as they fall due.

### **3. REASONS FOR AND BENEFITS OF ENTERING INTO THE MEMORANDUMS OF AGREEMENT AND THE BAREBOAT CHARTERS**

The Memorandums of Agreement and the Bareboat Charters were entered into by Fortune Energetic I and Fortune Energetic II in their ordinary course of business. The Directors believe that entering into the Memorandums of Agreement and the Bareboat Charters will strengthen the Group's leasing business and is consistent with the Group's overall business development strategies.

The Directors are of the view that the terms of the Memorandums of Agreement and the Bareboat Charters are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **4. INFORMATION OF PARTIES**

### **Information of the Company**

The Company is a shipyard-affiliated leasing company and is principally engaged in the provision of leasing services.

### **Information of Fortune Energetic I and Fortune Energetic II**

Fortune Energetic I and Fortune Energetic II, which were incorporated under the laws of Hong Kong, are wholly-owned SPVs of the Company and are principally engaged in ship leasing business.

### **Information of the Charterers**

Landbridge Transportation Limited and Landbridge Universal Limited are limited liability companies incorporated under the laws of Hong Kong, and are ultimately and wholly owned by Mr. Ye Zihao.

## **5. LISTING RULES IMPLICATIONS**

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions contemplated under the Memorandums of Agreement and the Bareboat Charters is more than 5% but less than 25%, the transactions contemplated under the Memorandums of Agreement and the Bareboat Charters constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules but are exempt from the shareholders' approval requirement.

## 6. DEFINITIONS

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

“Bareboat Charters”	the bareboat charters entered into by and among, each of Fortune Energetic I and Fortune Energetic II and the Charterer on 15 August 2023 with respect to the Vessels
“Board”	the board of Directors
“Charter Period”	a period of 84 and 108 months commencing from the respective Delivery Dates
“Charterers”	Landbridge Transportation Limited and Landbridge Universal Limited, which are limited liability company incorporated under the laws of Hong Kong
“Company”	CSSC (Hong Kong) Shipping Company Limited (中國船舶集團(香港)航運租賃有限公司)(formerly known as 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)
“Consideration”	US\$121,000,000
“Delivery Dates”	the dates on which Fortune Energetic I and Fortune Energetic II obtain title to the Vessels under the Memorandums of Agreement and the dates of the delivery of the Vessels by the respective Owners to the Charterers under the respective Bareboat Charters

“Director(s)”	the director(s) of the Company
“Fortune Energetic I”	Fortune Energetic I Shipping Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned SPV of the Company
“Fortune Energetic II”	Fortune Energetic II Shipping Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned SPV of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Landbridge International Tanker Limited, a limited liability company incorporated under the laws of British Virgin Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any entity or person who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company within the meaning under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandums of Agreement”	the memorandums of agreement entered into between each of Fortune Energetic I and Fortune Energetic II and the Charterer on 15 August 2023 with respect to the Vessels
“Owners”	Fortune Energetic I and Fortune Energetic II, being the Company’s wholly-owned SPVs

“SPV(s)”	special purpose vehicle(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vessels”	two crude oil tankers
“%”	per cent

By order of the Board  
**CSSC (Hong Kong) Shipping Company Limited**  
**Zhong Jian**  
*Chairman*

Hong Kong, 15 August 2023

*As at the date of this announcement, the Board comprises Mr. Zhong Jian as executive Director, Ms. Zhang Yi, Mr. Zhang Qipeng and Mr. Chi Benbin as non-executive Directors, and Mdm. Shing Mo Han Yvonne, Mr. Li Hongji and Mr. Wang Dennis as independent non-executive Directors.*