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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
PROVISION OF GUARANTEES

PROVISION OF GUARANTEES

On 2 November 2023 (after trading hours), the Company (as guarantor) entered into the Guarantees in favor of the Owners, pursuant to which, the Company has irrevocably and unconditionally agreed to provide guarantees up to US\$110,000,000 for the punctual performance of the Charterers in respect of their respective obligations, duties and liabilities under or in connection with the Charters.

THE LISTING RULES IMPLICATIONS

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. The Guarantees were guarantees provided by the Company in favour of the Owners, all being subsidiaries of Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司) and therefore constituted a series of related transactions which required to be aggregated pursuant to Rule 14.22 of the Listing Rules. The highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the guarantee amount of the Guarantees is more than 5% but less than 25%. Therefore, the provision of guarantees under the Guarantees constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

On 2 November 2023 (after trading hours), the Company (as guarantor) entered into the Guarantees in favor of the Owners, pursuant to which, the Company has irrevocably and unconditionally agreed to provide guarantees up to US\$110,000,000 for the punctual performance of the Charterers in respect of their respective obligations, duties and liabilities under or in connection with the Charters.

2. DETAILS OF THE GUARANTEES

The salient terms of the Guarantees are summarized below:

Date: 2 November 2023

Parties: the Company as the guarantor; and
the Owners, namely IBFL No. 7, IBFL No. 8, IBFL No. 9, IBFL No. 10, IBFL No. 11, IBFL No. 12, IBFL No. 13 and IBFL No. 14

Guarantee: the Company has irrevocably and unconditionally agreed to provide guarantees up to a maximum amount of US\$110,000,000 for the punctual performance of the Charterers in respect of their respective obligations, duties and liabilities under or in connection with the Charters

Guarantee Period: the respective Guarantees shall take effect upon execution and remain in force as a continuing security up to the last day of the charter period under the respective Charters

In the event that the Company becomes liable to pay to the Owners under the Guarantees, the Company intends to fund such payment through the internal resources of the Group.

3. INFORMATION OF THE PARTIES

Information of the Company

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

CA Shipping is a joint venture company incorporated in Hong Kong with limited liability. As at the date of this announcement, it is owned as to 60% by the Group through its wholly-owned subsidiary, Fortune Vcontainer Carriers and as to 40% by ASL NAVIGATION, an Independent Third Party. CA Shipping is principally engaged in the provision of leasing services and is the holding company of each of the Charterers, namely, CA Civilization, CA Equality, CA Freedom, CA Integrity, CA Harmony, CA Honor, CA Peace, and CA Valor.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, as at the date of this announcement, ASL NAVIGATION is principally engaged in shipping business and is ultimately owned as to approximately 55% by Hsing Tai-Ming and as to approximately 45% by Yang Xiaodong.

Information of Owners

Each of IBFL No. 7, IBFL No. 8, IBFL No. 9, IBFL No. 10, IBFL No. 11, IBFL No. 12, IBFL No. 13 and IBFL No. 14 is a company incorporated under the laws of the PRC, and is directly and wholly owned by Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司). Each of IBFL No. 7, IBFL No. 8, IBFL No. 9, IBFL No. 10, IBFL No. 11, IBFL No. 12, IBFL No. 13 and IBFL No. 14 is principally engaged in shipping business.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, as at the date of this announcement, Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司) is owned as to 100% by Industrial Bank Co., Ltd. (興業銀行股份有限公司).

Based on the public information currently available to the Company, as at the date of this announcement, Industrial Bank Co., Ltd. (興業銀行股份有限公司) is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange and is mainly engaged in commercial banking operations, including retail banking, corporate banking and treasury operations.

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

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE GUARANTEES

The Company is a shipyard-affiliated leasing company and is principally engaged in the provision of leasing services. Each of the Guarantees is provided as a security to enable the Charterers to obtain funds from the Owners for the purpose of sale and leaseback of the Charters.

The Directors are of the view that the provision of guarantees under the Guarantees will facilitate the Charterers to meet its funding requirement for sale and leaseback of the Charters and to maintain their day-to-day operations. In addition, as the Company is only providing the Guarantees in proportion to its shareholding in the Charterers through CA Shipping, the Directors are of the view that the Guarantees enable the Group to derive commercial benefits from ensuring the continuous and steady growth of the Charterers, and ultimately contribute to the Group's revenue in the future. For the abovesaid, the Directors consider that the terms of the Guarantees are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. The Guarantees were guarantees provided by the Company in favour of the Owners, all being subsidiaries of Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司) and therefore constituted a series of related transactions which required to be aggregated pursuant to Rule 14.22 of the Listing Rules. The highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the guarantee amount of the Guarantees is more than 5% but less than 25%. Therefore, the provision of guarantees under the Guarantees constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

6. DEFINITIONS

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

“ASL NAVIGATION”	ASL NAVIGATION LIMITED, a company incorporated in Hong Kong with limited liability
“Board”	the board of directors of the Company
“CA Civilization”	CA Civilization Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Equality”	CA Equality Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Freedom”	CA Freedom Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Harmony”	CA Harmony Shipping Limited, a company incorporated under the laws of Liberia with limited liability

“CA Honor”	CA Honor Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Integrity”	CA Integrity Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Peace”	CA Peace Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“CA Shipping”	CA Shipping Company Limited, the joint venture established by Fortune Vcontainer Carriers and ASL NAVIGATION in Hong Kong and is a non-wholly owned subsidiary of the Company
“CA Valor”	CA Valor Shipping Limited, a company incorporated under the laws of Liberia with limited liability
“Charters”	collectively referred to the underlying bareboat charter parties dated on or around the date of the Guarantees between the respective Charterers and the Owners
“Charterers”	collectively referred to CA Civilization, CA Equality, CA Freedom, CA Harmony, CA Honor, CA Integrity, CA Peace, and CA Valor
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Fortune Vcontainer Carriers”	Fortune Vcontainer Carriers Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	collectively referred to (i) the deed of guarantee entered into between the Company and IBFL No. 7 on 2 November 2023; (ii) the deed of guarantee entered in to between the Company and IBFL No. 8 on 2 November 2023; (iii) the deed of guarantee entered in to between the Company and IBFL No. 9 on 2 November 2023; (iv) the deed of guarantee entered in to between the Company and IBFL No. 10 on 2 November 2023; (v) the deed of guarantee entered in to between the Company and IBFL No. 11 on 2 November 2023; (vi) the deed of guarantee entered in to between the Company and IBFL No. 12 on 2 November 2023; (vii) the deed of guarantee entered in to between the Company and IBFL No. 13 on 2 November 2023; (viii) the deed of guarantee entered in to between the Company and IBFL No. 14 on 2 November 2023, pursuant to which the Company agreed to provide guarantees in favour of the Owners of up to a maximum amount of US\$110,000,000 for the punctual performance of the Charterers in respect of their respective obligations, duties and liabilities under or in connection with the Charters
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IBFL No. 7”	IBFL No. Seven (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 8”	IBFL No. Eight (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC

“IBFL No. 9”	IBFL No. Nine (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 10”	IBFL No. Ten (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 11”	IBFL No. Eleven (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 12”	IBFL No. Twelve (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 13”	IBFL No. Thirteen (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“IBFL No. 14”	IBFL No. Fourteen (Tianjin) Shipping Leasing Co., Ltd, a company incorporated under the laws of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Owners”	collectively referred to IBFL No. 7, IBFL No. 8, IBFL No. 9, IBFL No. 10, IBFL No. 11, IBFL No. 12, IBFL No. 13 and IBFL No. 14
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1.00 to HK\$7.80. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 2 November 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.