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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 AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PREVIOUS DISCLOSEABLE TRANSACTION

PROVISION OF GUARANTEES

On 2 April 2024 (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\$73,100,000 for the punctual performance of the Charterers in respect of its 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 indirect subsidiaries of CCB Financial Leasing Co., Ltd. (建信金融租賃有限責任公司) and therefore constituted a series of related transactions which are 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 April 2024 (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\$73,100,000 for the punctual performance of the Charterers in respect of its 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 April 2024

Parties: the Company as the guarantor; and the Owners, namely Compass Shipping 129, Compass Shipping 130, Compass Shipping 131 and Compass Shipping 132

Guarantee: the Company has irrevocably and unconditionally agreed to provide guarantees up to a maximum amount of US\$73,100,000 for the punctual performance of the Charterers in respect of its 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.

Golden Pegasus 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 50% by the Group through its wholly-owned subsidiary, Major Progress and as to 50% by Seacon Shipinvest, an Independent Third Party. Golden Pegasus Shipping is principally engaged in the provision of leasing services.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, as at the date of this announcement, Seacon Shipinvest is principally engaged in shipping business and is ultimately owned by Seacon Shipping Group, the shares of which are listed on the Stock Exchange (stock code: 2409).

Information of Owners

Each of Compass Shipping 129, Compass Shipping 130, Compass Shipping 131 and Compass Shipping 132 is a company incorporated in Hong Kong, and is indirect wholly owned by CCB Financial Leasing Co., Ltd. (建信金融租賃有限責任公司) through CCB Shipping and Aviation Leasing Corporation Limited (建信航運航空金融租賃有限公司). CCB Shipping and Aviation Leasing Corporation Limited (建信航運航空金融租賃有限公司) is a company incorporated in Hong Kong with limited liability and is directly and wholly owned by CCB Financial Leasing Co., Ltd. (建信金融租賃有限責任公司). It is principally engaged in the provision of leasing services to customers in industries including aviation and shipping. Each of Compass Shipping 129, Compass Shipping 130, Compass Shipping 131 and Compass Shipping 132 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, CCB Financial Leasing Co., Ltd. (建信金融租賃有限責任公司) and CCB Shipping and Aviation Leasing Corporation Limited (建信航運航空金融租賃有限公司) are wholly owned by China Construction Bank Corporation (中國建設銀行股份有限公司).

Based on the public information currently available to the Company, as at the date of this announcement, China Construction Bank Corporation (中國建設銀行股份有限公司) is a joint stock limited company established in the PRC, the H shares and A shares of which are listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939) and is mainly engaged in the provision of corporate finance business, personal finance business, treasury and asset management business and other businesses.

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 Golden Pegasus 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 indirect subsidiaries of CCB Financial Leasing Co., Ltd. (建信金融租賃有限責任公司) and therefore constituted a series of related transactions which are 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.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PREVIOUS DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 2 November 2023 (the “**November 2023 Announcement**”) in relation to the provision of guarantees to its joint venture companies.

The Board would like to clarify that 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 and the shares of which are only listed on the Shanghai Stock Exchange.

Save as disclosed above, all other information as set out in the November 2023 Announcement remains unchanged.

6. DEFINITIONS

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

“Board”	the board of directors of the Company
“Charterer”	Golden Pegasus Shipping
“Charters”	collectively referred to the underlying bareboat charter parties dated on or around the date of the Guarantees between the respective Charterer and the Owners
“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)
“Compass Shipping 129”	Compass Shipping 129 Corporation Limited, a company incorporated in Hong Kong with limited liability
“Compass Shipping 130”	Compass Shipping 130 Corporation Limited, a company incorporated in Hong Kong with limited liability
“Compass Shipping 131”	Compass Shipping 131 Corporation Limited, a company incorporated in Hong Kong with limited liability
“Compass Shipping 132”	Compass Shipping 132 Corporation Limited, a company incorporated in Hong Kong with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Golden Pegasus Shipping”	Golden Pegasus Shipping Company Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Guarantees”	collectively referred to (i) the deed of guarantee entered into between the Company and Compass Shipping 129 on 2 April 2024; (ii) the deed of guarantee entered in to between the Company and Compass Shipping 130 on 2 April 2024; (iii) the deed of guarantee entered in to between the Company and Compass Shipping 131 on 2 April 2024; (iv) the deed of guarantee entered in to between the Company and Compass Shipping 132 on 2 April 2024; pursuant to which the Company agreed to provide guarantees in favour of the Owners of up to a maximum amount of US\$73,100,000 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
“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
“Major Progress”	Major Progress Limited, a company incorporated in Hong Kong with limited liability
“Owners”	collectively referred to Compass Shipping 129, Compass Shipping 130, Compass Shipping 131, Compass Shipping 132

“PRC”	the People’s Republic of China
“Seacon Shipinvest”	Seacon Shipinvest (HK) Limited, a company incorporated in Hong Kong with limited liability
“Seacon Shipping Group”	Seacon Shipping Group Holding Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2409)
“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 April 2024

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.