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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

(Incorporated in Hong Kong with limited liability)

(Stock code: 3877)

**CONNECTED TRANSACTIONS
IN RELATION TO
LEASE OF EQUIPMENT**

On July 18 2024, CSSC Tianjin, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement I with (i) Guangxi Wenchuan, an indirect non-wholly-owned subsidiary of China Shipbuilding Group, the controlling shareholder of the Company and (ii) Huangpu Wenchong Shipbuilding, an indirect non-wholly-owned subsidiary of China Shipbuilding Group. Pursuant to the Lease Agreement I, CSSC Tianjin agreed to lease certain equipment to Guangxi Wenchuan and Huangpu Wenchong Shipbuilding for a period of 72 months with the total lease payment of RMB59,112,000.

On 20 November 2024, CSSC Tianjin entered into the Lease Agreement II with Guangxi Wenchuan and Huangpu Wenchong Shipbuilding. Pursuant to the Lease Agreement II, CSSC Tianjin agreed to lease another batch of Equipment to Guangxi Wenchuan and Huangpu Wenchong Shipbuilding for a period of 72 months with the total lease payment of RMB37,152,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, both of Guangxi Wenchuan and Huangpu Wenchong Shipbuilding are subsidiaries of China Shipbuilding Group, the controlling shareholder of the Company. Therefore, the transaction contemplated under the Lease Agreement II constitutes a connected transaction of the Company.

In accordance with Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted or completed within a same 12-month period or were otherwise related with each other. As the transaction contemplated under the Lease Agreement II was entered into during the 12-month period after the Lease Agreement I, the transactions contemplated thereunder shall be aggregated as a series of transactions.

As the applicable percentage ratios (as defined under the Listing Rules) for the transaction contemplated under the Lease Agreement II (on aggregation basis) (the “**Transaction**”) exceed 0.1% but are less than 5%, the Transaction constitutes a de minimis connected transaction and shall be subject to the reporting and announcement requirements but is exempted from circular (including independent financial advice) and the independent shareholders’ approval requirements under Chapter 14A.76(2) of the Listing Rules.

BACKGROUND

On July 18 2024, CSSC Tianjin entered into the Lease Agreement I with Guangxi Wenchuan and Huangpu Wenchong Shipbuilding, in relation to the lease of certain equipment for a period of 72 months with the total lease payment of RMB59,112,000.

On 20 November 2024, CSSC Tianjin entered into the Lease Agreement II with Guangxi Wenchuan and Huangpu Wenchong Shipbuilding, in relation to the lease of the Equipment for a period of 72 months with the total lease payment of RMB37,152,000.

LEASE AGREEMENT II

Details of the Lease Agreement II are as follows:

- Date: 20 November 2024
- Parties:
- (1) CSSC Tianjin (as lessor)
 - (2) Guangxi Wenchuan (as co-lessee)
 - (3) Huangpu Wenchong Shipbuilding (as co-lessee)

Leased Assets:	the Equipment
	The cost of the Equipment paid by CSSC Tianjin is RMB31,466,260.
Consideration:	RMB31,466,260
Lease Period:	The lease period shall be 72 months commencing from the date of the Lease Agreement II.
Total amount of lease:	The aggregate amount of lease payable by Guangxi Wenchuan and Huangpu Wenchong Shipbuilding to CSSC Tianjin shall be RMB37,152,000.
Lease Payment:	Guangxi Wenchuan shall pay each instalment of the lease to an account designated by CSSC Tianjin at three-monthly intervals.
Deposit:	Guangxi Wenchuan shall pay CSSC Tianjin an amount equivalent to 1% of the consideration no later than 10 business days from the date of the Lease Agreement II.
Repurchase Options:	At the end of the lease period, subject to payment of all moneys owing and payable to CSSC Tianjin under the Lease Agreement II, Guangxi Wenchuan may retain all of the Equipment for nil consideration. Once Guangxi Wenchuan decides to exercise the right of retention, the ownership of the Equipment is transferred to Guangxi Wenchuan on an as is basis and the Lease Agreement II will be terminated.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT II

The Company is a ship leasing company that provides ship leasing services which include finance lease, operating lease and loan services. The entering into of the Lease Agreement II is part of the ordinary and usual course of business of the Group, which is in line with its business development needs and is expected to provide a stable revenue and cashflow to the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Lease Agreement II are fair and reasonable, and the Transaction contemplated thereunder is on normal commercial terms and in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON PARTIES TO THE LEASE AGREEMENT II

The Group

Established in June 2012, the Group conducts operating and finance lease of vessels as its principal business. Leveraging the robust industrial foundation and extensive maritime industry expertise of its controlling shareholder, the Group is dedicated to expanding its leasing and investment operations in vessels and marine equipment, offering tailored and adaptable integrated shipping services, along with financial solutions, to ship operators, shippers and traders worldwide.

Guangxi Wenchuan

Guangxi Wenchuan is an indirect non-wholly-owned subsidiary of China Shipbuilding Group, one of the controlling shareholder of the Company. Its principal activities are shipbuilding, maintenance, modification, dismantling and promoting dismantled materials recycling; marine engineering equipment manufacturing, maintenance and modification; steel structure engineering design, manufacturing, construction and maintenance; electrical and mechanical engineering equipment manufacturing and processing etc.

Huangpu Wenchong Shipbuilding

Huangpu Wenchong Shipbuilding is an indirect non-wholly-owned subsidiary of China Shipbuilding Group. The principal activities of Huangpu Wenchong Shipbuilding are manufacturing of special equipment for railways, ships, aerospace and other transportation facilities.

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DEFINITIONS

“Board”	Board of directors of the Company
“China Shipbuilding Group”	China State Shipbuilding Corporation Limited* (中國船舶集團有限公司), a wholly state-owned limited liability company established under the laws of the PRC on 8 November 2019, one of the controlling shareholders of the Company

“Company”	CSSC (Hong Kong) Shipping Company Limited (中國船舶集團(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 same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“CSSC Tianjin”	CSSC Financial Leasing (Tianjin) Company Limited* (中船融資租賃(天津)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Director(s)”	directors of the Company
“Equipment”	the equipment of (i) three 350-tonne general-purpose overhead cranes and (ii) two 100-tonne general-purpose overhead cranes
“Lease Agreement I”	lease agreement in respect of a batch of equipment entered into among CSSC Tianjin, Guangxi Wenchuan and Huangpu Wenchong Shipbuilding on 18 July 2024
“Lease Agreement II”	lease agreement in respect of the Equipment entered into among CSSC Tianjin, Guangxi Wenchuan and Huangpu Wenchong Shipbuilding on 20 November 2024
“Group”	the Company and its subsidiaries
“Guangxi Wenchuan”	Guangxi Wenchuan Heavy Industrial Co., Ltd.* (廣西文船重工有限公司), a company established under the laws of the PRC and an indirect non-wholly-owned subsidiary of China Shipbuilding Group

“Huangpu Wenchong Shipbuilding”	CSSC Huangpu Wenchong Shipbuilding Company Limited* (中船黃埔文沖船舶有限公司), a company established under the laws of the PRC and an indirect non-wholly-owned subsidiary of China Shipbuilding Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the prevailing lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 20 November 2024

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

* *For identification purpose only*