

Seaspan CORP  
Form 6-K  
May 03, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

Commission File Number 1-32591

SEASPAN CORPORATION

(Exact name of Registrant as specified in its Charter)

Unit 2, 2nd Floor

Bupa Centre

141 Connaught Road West

Hong Kong

China

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.  
Form 20-F      Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101

(b)(1). Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101

(b)(7). Yes No

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### Item 1 — Information Contained in this Form 6-K Report

Attached as Exhibit I is Seaspan Corporation's report on Form 6-K, or this Report, for the quarter ended March 31, 2019. This Report is hereby incorporated by reference into: the Registration Statement of Seaspan Corporation filed with the Securities and Exchange Commission, (the "SEC"), on May 30, 2008 on Form F-3D (Registration No. 333-151329), the Registration Statement of Seaspan Corporation filed with the SEC on March 31, 2011 on Form S-8 (Registration No. 333-173207), the Registration Statement of Seaspan Corporation filed with the SEC on June 20, 2013 on Form S-8 (Registration No. 333-189493), the Registration Statement of Seaspan Corporation filed with the SEC on April 24, 2012 on Form F-3 (Registration No. 333-180895), as amended on March 22, 2013, the Registration Statement of Seaspan Corporation filed with the SEC on April 29, 2014 on Form F-3 (Registration No. 333-195571), as amended on March 3, 2017 and April 19, 2017, the Registration Statement of Seaspan Corporation filed with the SEC on November 28, 2014 on Form F-3 (Registration No. 333-200639), as amended on March 3, 2017 and April 19, 2017, the Registration Statement of Seaspan Corporation filed with the SEC on November 28, 2014 on Form S-8 (Registration No. 333-200640), the Registration Statement of Seaspan Corporation filed with the SEC on March 12, 2015 on Form F-3D (Registration No. 333-202698), the Registration Statement of Seaspan Corporation filed with the SEC on May 23, 2016 on Form F-3 (Registration No. 333-211545), as amended on March 3, 2017, March 7, 2017 and April 19, 2017, the Registration Statement of Seaspan Corporation filed with the SEC on June 24, 2016 on Form S-8 (Registration No. 333-212230) and the Registration Statement of Seaspan Corporation filed with the SEC on April 13, 2018 on Form F-3D (Registration No. 333-224291), the Registration Statement of Seaspan Corporation filed with the SEC on May 3, 2018 on Form F-3/A (Registration No. 333-224288), as amended on May 7, 2018, the Registration Statement of Seaspan Corporation filed with the SEC on June 15, 2018 on Form F-4 (Registration No. 333-225681), the Registration Statement of Seaspan Corporation filed with the SEC on September 28, 2018 on Form F-3 (Registration No. 333-227597), the Registration Statement of Seaspan Corporation filed with the SEC on January 18, 2019 on Form F-3 (Registration No. 333-229312) and the Registration Statement of Seaspan Corporation filed with the SEC on March 27, 2019 on Form F-3 (Registration No. 333-230524).

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SEASPAN CORPORATION

Date: May 3, 2019 By: /s/ Ryan Courson  
Ryan Courson  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

EXHIBIT I

SEASPAN CORPORATION  
REPORT ON FORM 6-K FOR THE QUARTER ENDED MARCH 31, 2019

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Unless we otherwise specify, when used in this Report, the terms “Seaspan”, the “Company”, “we”, “our” and “us” refer to Seaspan Corporation and its subsidiaries. References to our “Manager” are to Seaspan Management Services Limited and its wholly-owned subsidiaries which provide us with all of our technical, administrative and strategic services.

References to customers are as follows:

Customer	Reference
Arkas Line	Arkas
CMA CGM S.A.	CMA CGM
China COSCO Holdings Company Limited	COSCO
Hapag-Lloyd AG	Hapag-Lloyd
Hyundai Merchant Marine Co., Ltd., Seoul	HMM
Korea Marine Transport Co., Ltd.	KMTC
Maersk Line A/S <sup>(2)</sup>	Maersk
MSC Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd. <sup>(1)</sup>	MOL
Ocean Network Express Pte. Ltd. <sup>(1)</sup>	ONE
Yang Ming Marine Transport Corp.	Yang Ming Marine

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<sup>(1)</sup>On April 1, 2018, MOL, K-Line and Nippon Yusen Kabushiki Kaisha integrated their container shipping businesses under a new joint venture company, Ocean Network Express Pte. Ltd.

<sup>(2)</sup>A subsidiary of A.P. Moller-Maersk A/S.

We use the term “twenty-foot equivalent unit”, or TEU, the international standard measure of containers, in describing the capacity of our containerships, which are also referred to as our “vessels”. We identify the classes of our vessels by the approximate average TEU capacity of the vessels in each class. However, the actual TEU capacity of a vessel may differ from the approximate average TEU capacity of the vessels in such vessel’s class.

The information and the unaudited interim consolidated financial statements in this Report should be read in conjunction with the consolidated financial statements and related notes and the Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 20-F for the year ended December 31, 2018, filed with the U.S. Securities and Exchange Commission, or the SEC, on March 26, 2019, or our 2018 Annual Report. Unless otherwise indicated, all amounts in this Report are presented in U.S. dollars, or USD. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP.

## SEASPAN CORPORATION

## PART I — FINANCIAL INFORMATION

## ITEM 1 — INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## SEASPAN CORPORATION

## Interim Consolidated Balance Sheets

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares and par value amounts)

	March 31, 2019	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 626,187	\$ 357,327
Short-term investments	105	2,532
Accounts receivable (note 17)	239,140	13,001
Prepaid expenses and other	37,662	36,519
Gross investment in lease (note 4)	44,469	44,348
Fair value of financial instruments (note 20(c))	—	113
	947,563	453,840
Vessels (note 5)	5,869,520	5,926,274
Right-of-use assets (note 6)	1,040,755	—
Gross investment in lease (note 4)	806,574	817,631
Goodwill	75,321	75,321
Other assets (note 7)	183,683	204,931
	\$ 8,923,416	\$ 7,477,997
<b>Liabilities, puttable preferred shares and shareholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 71,124	\$ 70,211
Current portion of deferred revenue (note 8)	51,407	55,915
Current portion of long-term debt (note 9)	559,800	722,641
Current portion of operating lease liabilities (note 10)	160,010	—
Current portion of long-term obligations under other financing arrangements (note 11)	149,011	48,384
Current portion of other long-term liabilities (note 12)	8,234	32,243
	999,586	929,394
Deferred revenue (note 8)	368,502	376,884
Long-term debt (note 9)	2,801,129	2,764,900
Operating lease liabilities (note 10)	865,809	—
Long-term obligations under other financing arrangements (note 11)	478,657	591,372
Other long-term liabilities (note 12)	18,363	180,157
Fair value of financial instruments (note 20(c))	133,838	127,172
Total liabilities	5,665,884	4,969,879
Puttable preferred shares; \$0.01 par value; 1,983,585 issued and outstanding	48,517	48,139

(2018 - 1,986,449) (notes 2 and 13(b))

Shareholders' equity:

Share capital (note 13):

Preferred shares; \$0.01 par value; 150,000,000 shares authorized

(2018 - 150,000,000); 33,275,570 shares issued and outstanding (2018 – 33,272,706)

Class A common shares; \$0.01 par value; 400,000,000 shares authorized

(2018 - 400,000,000); 215,507,220 shares issued and outstanding (2018 – 176,835,837) 2,489 2,102

Treasury shares	(374 )	(371 )
Additional paid in capital	3,448,904	3,126,457
Deficit	(219,693 )	(645,638 )
Accumulated other comprehensive loss	(22,311 )	(22,571 )
	3,209,015	2,459,979
	\$8,923,416	\$ 7,477,997

Basis of presentation (note 1(a))

Commitments and contingencies (note 18)

Subsequent events (note 22)

See accompanying notes to interim consolidated financial statements.

## SEASPAN CORPORATION

## Interim Consolidated Statements of Operations

(Unaudited)

(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended March 31,	
	2019	2018
Revenue	\$285,323	\$224,776
Operating expenses (income):		
Ship operating	57,709	49,549
Depreciation and amortization	62,497	53,925
General and administrative	8,799	7,273
Operating leases (note 10)	39,233	31,194
Income related to modification of time charters (note 17)	(227,000)	—
	(58,762 )	141,941
Operating earnings	344,085	82,835
Other expenses (income):		
Interest expense and amortization of deferred financing fees	56,051	37,949
Amortization of debt discount (note 9)	4,034	1,032
Interest income	(3,150 )	(1,270 )
Acquisition related gain on contract settlement	—	(2,430 )
Change in fair value of financial instruments (note 20(c))	1,144	(19,322 )
Equity income on investment	—	(1,216 )
Other expenses	691	376
	58,770	15,119
Net earnings	\$285,315	\$67,716
Earnings per share (note 14):		
Class A common share, basic	\$1.27	\$0.37
Class A common share, diluted	\$1.26	\$0.37

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended March 31,	
	2019	2018
Net earnings	\$285,315	\$67,716
Other comprehensive income:		
Amounts reclassified to net earnings during the period		
relating to cash flow hedging instruments (note 20(c))	260	300
Comprehensive income	\$285,575	\$68,016

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Puttable Preferred Shares and Shareholders' Equity

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares and per share amounts)

Three months ended March 31, 2019 and 2018

	Series D puttable preferred shares Shares	Number of common shares	Number of non-puttable preferred shares	Common shares	Non-puttable preferred shares	Treasury Shares	Additional paid-in capital	Accumulated other comprehensive loss	Total Shareholders' equity
Balance, December 31, 2017, carried forward	—\$ —	131,664,101	32,872,706	\$ 1,317	\$ 329	\$(377)			