Seaspan CORP
Form 424B5
May 24, 2016
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-190718

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered[1]	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee[2]
Class A common shares, par value $0.01 per share	5,750,000[3]	$14.70	$84,525,000	$8,511.67

(1) The securities registered herein are offered pursuant to an automatic shelf registration statement on Form F-3 (Registration No. 333-190718) filed by Seaspan Corporation on August 19, 2013.

(2) Calculated in accordance with Rule 457(r) and is made in accordance with Rule 456(b) under the Securities Act of 1933, as amended.

(3) Assumes exercise in full of the underwriters option to purchase up to 750,000 additional Class A common shares.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated August 19, 2013)

5,000,000 Shares

Seaspan Corporation

Class A Common Shares

$14.70 per share

We are offering up to 5,000,000 of our Class A common shares in this offering. We have granted the underwriters an option to purchase up to 750,000 additional Class A common shares. Our chief executive officer and affiliates of one of our directors and of Dennis Washington have agreed to purchase directly from us, at the public offering price, an aggregate of $15 million of additional shares of our Class A common stock concurrently with the closing of this offering. We refer to this separate sale as the concurrent sale. The shares sold in the concurrent sale will not be subject to any underwriting discounts or commissions. Please read Underwriting for more information.

Our Class A common shares are listed on The New York Stock Exchange under the symbol SSW. The last reported sale price of our Class A common shares on The New York Stock Exchange on May 23, 2016 was $16.20 per share.

Investing in our Class A common shares involves risks. Please read Risk Factors beginning on page S-12 of this prospectus supplement and page 4 of the accompanying base prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$14.70	$73,500,000
Underwriting Discounts and Commissions(1)	$0.588	$2,940,000
Proceeds to Us (Before Expenses)	$14.112	$70,560,000

(1) If the underwriters exercise the option to purchase additional Class A common shares in full, the total underwriting discounts and commissions payable by us will be $3,381,000, and total proceeds to us before expenses will be $81,144,000.

The underwriters expect to deliver the Class A common shares to purchasers on or about May 27, 2016, through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Wells Fargo Securities **Morgan Stanley** **UBS Investment Bank**

Credit Suisse **J.P. Morgan** **Stifel**

Co-Managers

RBC Capital Markets **BB&T Capital Markets** **Janney Montgomery Scott** **Ladenburg Thalmann**

ABN AMRO **BNP PARIBAS** **Santander**

May 24, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information in the prospectus supplement conflicts with information in the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will be deemed not to constitute a part of this prospectus except as so modified or superseded.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of our Class A common shares in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus or the information that is incorporated by reference herein is accurate as of any date other than its respective date.

Unless we otherwise specify, when used in this prospectus supplement, the terms Seaspan, the Company, we, our and us refer to Seaspan Corporation and its subsidiaries, except that when such terms are used in this prospectus supplement in reference to our Class A common shares, they refer specifically to Seaspan Corporation.

References to shipbuilders are as follows:

SHIPBUILDER	REFERENCE
CSBC Corporation, Taiwan	CSBC
Jiangsu New Yangzi Shipbuilding Co., Ltd.	New Jiangsu
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd.	Jiangsu Xinfu
HHIC-PHIL INC.	HHIC

References to customers are as follows:

CUSTOMER	REFERENCE
CMA CGM S.A.	CMA CGM
China Shipping Container Lines (Asia) Co., Ltd.(1)(2)	CSCL Asia
COSCO Container Lines Co., Ltd.(2)(3)	COSCON
Hanjin Shipping Co., Ltd.	Hanjin
Hapag-Lloyd AG	Hapag-Lloyd
Hapag-Lloyd USA, LLC(4)	HL USA
Kawasaki Kisen Kaisha Ltd.	K-Line
Maersk Line A/S(5)	Maersk
MSC Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd.	MOL
Yang Ming Marine Transport Corp.	Yang Ming Marine
ZIM Integrated Shipping Services Ltd.	ZIM

(1) A subsidiary of China Shipping Container Lines Co., Ltd., or CSCL.
(2) While we continue to charter our vessels to CSCL Asia and COSCON, CSCL Asia and COSCON merged their container shipping businesses in March 2016.
(3) A subsidiary of China COSCO Holdings Company Limited.
(4) A subsidiary of Hapag-Lloyd.

(5) A subsidiary of A.P. Møeller Mærsk A/S.

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SUMMARY

This summary highlights important information contained elsewhere in this prospectus supplement and the accompanying base prospectus. You should carefully read this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference to understand fully our business and the terms of our Class A common shares, as well as tax and other considerations that are important to you in making your investment decision. You should consider carefully the Risk Factors section beginning on page S-12 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Class A common shares is appropriate for you. Unless otherwise indicated, all references in this prospectus supplement to dollars and $ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus supplement is prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

Our Company

We are the leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. We operate a fleet of 88 containerships, and we have entered into contracts for the purchase of an additional eight newbuilding containerships, which have scheduled delivery dates through October 2017. Of our eight newbuilding containerships, six will commence operation under long-term, fixed-rate charters upon delivery. We expect to enter into long-term charter contracts for the remaining newbuilding containerships in the future. The average age of the 88 vessels in our operating fleet is approximately six years, on a TEU-weighted basis.

We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. The charters on the 88 vessels in our operating fleet have an average remaining term of approximately five years, on a TEU weighted basis, excluding the effect of charterers options to extend certain time charters.

Customers for our current operating fleet are COSCON, CSCL Asia, CMA CGM, Hanjin, Hapag-Lloyd, HL USA, K-Line, Maersk, MSC, MOL, Yang Ming Marine and ZIM. The customers for the six newbuilding containerships that are subject to charter contracts are Maersk, MSC and Yang Ming Marine.

New Vessel Contracts

Our primary objective is to continue to grow our business through accretive vessel acquisitions.

Our eight newbuilding vessels, which have scheduled delivery dates through October 2017, consist of the following:

Vessel	Vessel Class (TEU)	Length of Charter(1)	Charterer	Scheduled Delivery Date	Shipbuilder
Hull No. 1120	10000	5 years + two one-year options	Maersk	2016	New Jiangsu and Jiangsu Xinfu
Hull No. 1037	14000	10 years + one 2-year option	Yang Ming Marine	2016	CSBC
Hull No. 1039	14000	10 years + one 2-year option	Yang Ming Marine	2017	CSBC
Hull No. 1122	10000	(2)	(2)	2017	New Jiangsu and Jiangsu Xinfu
Hull No. 1169	10000	(2)	(2)	2017	New Jiangsu and Jiangsu Xinfu
Hull No. 145	11000	17 years	MSC	2017	HHIC
Hull No. 147	11000	17 years	MSC	2017	HHIC
Hull No. 153	11000	17 years	MSC	2017	HHIC

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(1) Each charter is scheduled to begin upon delivery of the vessel to the charterer.

(2) We expect to enter into a long-term charter for this vessel in the future.

The following table indicates the estimated number of owned, leased and managed vessels in our fleet based on scheduled delivery dates as of May 15, 2016:

	Scheduled for the Year Ended December 31,	
	2016	**2017**
Owned and leased vessels, beginning of year	85	86
Deliveries	5	6
Contractual sale(1)	(4)	
Total, end of period	**86**	**92**
GCI managed vessels, beginning of year	15	17
Deliveries	2	5
Total, end of period	**17**	**22**
Total Fleet	**103**	**114**
Total Capacity (TEU)	**796,300**	**919,300**

(1) Relates to four 4800 TEU vessels that commenced five-year bareboat charters in 2011. The charterer has agreed to purchase the vessels for $5.0 million each at the end of the five-year bareboat charter terms in 2016.

Market Opportunity

We believe that there is an opportunity for shipowners with access to capital to acquire vessels at attractive prices and employ them in a manner that will generate attractive returns on capital and is accretive to cash flow. Due to the financial constraints of shipowners and lower rates of growth in global trade, orders for newbuilding containerships, as a percentage of the global fleet, have declined since peaking in 2008. The current orderbook represents approximately 17.8% of global fleet capacity and is heavily weighted towards larger post-panamax vessels greater than 8000 TEU. We believe demand for large fuel-efficient ships will remain strong as container liner companies seek to reduce costs and achieve operating efficiencies, creating opportunities for shipowners with the necessary operational and financial capabilities.

We intend to continue to expand our fleet primarily through entering into newbuilding contracts with shipyards and opportunistic secondhand and newbuilding vessel acquisitions. We believe there will also be select opportunities to acquire existing or newbuilding vessels from other shipowners, from shipbuilders if purchasers default on construction contracts, or from banks and other lessors that may acquire vessels upon borrower or lessee defaults. We believe we are well positioned to take advantage of current market opportunities. We believe that we will be able to fund the remaining payments for the containerships that we have contracted to purchase through the availability under our credit facilities, including future credit facilities, other financings, current cash balances and operating cash flow.

We may seek to undertake additional acquisitions of high-quality newbuilding or secondhand vessels through asset or business acquisitions, and we regularly consider potential opportunities. In evaluating these opportunities, we consider, among other things, the size of the vessels and the tenor of the related time charters relative to those in our existing fleet. We anticipate that we would fund the purchase price for any secondhand vessels we may acquire primarily through the assumption of debt, with the balance funded through borrowings under our existing credit facilities, cash, other financings or a combination thereof.

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There is no assurance that we will be able to acquire any of the containerships opportunities we are evaluating.

Our Competitive Strengths

We believe that we possess a number of competitive strengths that will allow us to capitalize on the opportunities in the containership industry, including the following:

Scale, Diversity and Quality of Our Fleet. We are the largest independent charter owner and manager of containerships and believe that the size of our fleet appeals to our customers and provides us cost savings through volume purchases and leverage in negotiating newbuilding contracts and accessing shipyard berths. Our operating fleet of 88 containerships has an average age of approximately six years, on a TEU-weighted basis, which is significantly below the industry average of approximately eight years. Our newbuilding containerships are also subject to our high standards for design, construction quality and maintenance. The vessels in our current operating fleet range in size from 2500 TEU to 14000 TEU, and our 14000 TEU containerships are among the largest containerships in operation. All of our newbuilding containerships under construction are 10000 TEU, 11000 TEU and 14000 TEU containerships.

Strong, Long-Term Relationships with High-Quality Customers, Including Leading Asian Container Liner Companies. We have developed strong relationships with our customers, which include leading container liner companies. We believe we are the largest charterer of containerships to China, and we anticipate that Asian demand for containerships will continue to rebound and grow in the long run. We attribute the strength of our customer relationships in part to our consistent operational quality, customer oriented service and historical average utilization of approximately 99% since our initial public offering, or IPO, in 2005.

Enhanced Stability of Cash Flows Through Long-Term, Fixed-Rate Time Charters. Our vessels are primarily subject to long-term, fixed-rate time charters, which have an average remaining term of approximately five years, on a TEU-weighted basis. As a result, the majority of our current revenue is protected from the volatility of spot rates and short-term charters. To further promote cash flow stability, we have primarily placed newbuilding orders and purchased secondhand vessels when we have concurrently entered into long-term time charters with our customers. As at May 15, 2016, we had an aggregate of approximately $5.9 billion of contracted future minimum revenue under existing fixed-rate time charters and interest income from sales-type capital leases and direct financing leases.

Proven Ability to Source Capital for Growth. Since our IPO in 2005, we have successfully raised capital to grow our fleet. Including our IPO, we have raised approximately $2.8 billion in public and private issuances of equity securities and $345 million in public issuances of debt securities. In addition, we have secured credit and lease facilities with aggregate outstanding borrowings and commitments of $4.1 billion as of March 31, 2016. We accessed capital during the most recent worldwide economic downturn, including raising preferred share equity and entering into sale-leaseback financings. As of March 31, 2016, we had total remaining capital expenditures of approximately $0.6 billion relating to eight newbuilding containerships. We expect to fund our remaining capital expenditures for these newbuilding vessels with our cash, availability under credit facilities associated with the newbuilding vessels and new debt or lease financing that we expect to arrange in advance of vessel deliveries. We intend to continue to access existing capital, and to seek new sources of capital, to cost-effectively maintain and grow our fleet over the long term.

Significant Delivered Fleet Growth. We have significantly grown our fleet since our IPO in August 2005. At that time, we had an operating fleet of 10 vessels with another 13 vessels on order, aggregating 116,950 TEU. We now have 88 vessels in operation and eight newbuilding

containerships on order, aggregating 684,100 TEU, an increase since our IPO of 485% in TEU capacity. The aggregate capacity of these eight newbuilding vessels that we have contracted to purchase, with scheduled delivery dates through October 2017, represents approximately 14.9% of the aggregate capacity of our vessels currently in operation. We believe that our longstanding relationships with key constituents in the containership industry, including container liner companies, shipbuilders and shipping banks, will enable us to continue sourcing newbuilding and secondhand vessel acquisition opportunities at terms attractive to us.

Experienced Management. Our chief executive officer, chief operating officer and chief financial officer have over 60 years of combined professional experience in the shipping and ship finance industry, and they have experience managing shipping companies through several economic cycles. The members of our management team have prior experience with many companies in the international ship management industry, such as China Merchants Group, Neptune Orient Lines, APL Limited, Safmarine Container Lines, Columbia Ship Management and Höegh LNG Partners LP, and provide expertise across commercial, technical, financial and other functional management areas of our business.

Our Business Strategies

We seek to continue to expand our business and increase our cash flow by employing the following business strategies:

Pursuing Long-Term, Fixed-Rate Charters. We intend to continue to primarily employ our vessels under long-term, fixed-rate charters, which contribute to the stability of our cash flows. In addition, container liner companies typically employ long-term charters for strategic expansion into major trade routes, while using spot charters for shorter term discretionary needs. To the extent container liner companies expand their services into major trade routes, we believe we are well positioned to participate in their growth.

Expanding and Diversifying Our Customer Relationships. Since our IPO, we have increased our customer base from two to 12 customers and have expanded our revenue from existing customers. We intend to continue to expand our existing customer relationships and to add new customers to the extent container liner companies increase their use of chartered-in vessels to add capacity in their existing trade routes and establish new trade routes. We believe we are well positioned to secure new chartering business from existing and potential new customers due to our experience in ship design and construction supervision and our reputation for high quality operations.

Actively Acquiring Newbuilding and Secondhand Vessels. We have increased, and intend to further increase, the size of our fleet through selective acquisitions of new and secondhand containerships that we believe will be accretive to our cash flow. We believe that entering into newbuilding contracts will continue our long-term fleet growth and provide modern vessels to our customers. In addition, we intend to continue to selectively consider any nearer-term growth opportunities to acquire high-quality secondhand vessels, primarily either with existing long-term charters or where we can enter into long-term charters concurrently with the acquisitions. We also intend to consider appropriate partnering opportunities that would allow us to seek to capitalize on opportunities in the newbuilding and secondhand markets with more modest investments. We may also consider business acquisitions, as appropriate.

Maintaining Efficient Capital Structure and Diversified Sources of Capital. We intend to pursue a financial strategy that aims to preserve our financial flexibility and achieve a low cost of capital so that we may take advantage of acquisition and expansion opportunities in the future while also meeting our existing obligations. We operate a capital-intensive business. We believe that our ability to access new and innovative sources of capital from a broad range of capital providers has provided a competitive advantage for us.

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An investment in our Class A common shares involves risks. Our growth depends on our ability to make accretive vessel acquisitions, expand existing and develop new relationships with charterers and obtain new charters. Substantial competition may hinder achievement of our business strategy. Our growth also depends upon continued growth in demand for containerships. A reduction in demand for containerships, increased competition or an inability to make accretive vessel acquisitions may lead to reductions and volatility in charter hire rates and profitability. In addition, we may be unable to realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results. Adverse changes to our current business condition or market conditions may adversely affect our ability to pay a dividend or the amount of the dividend we could pay, and our board of directors may determine at some future date to reduce, or possibly eliminate, our dividend. During the year ended December 31, 2015 and the quarter ended March 31, 2016, our cash flow used in investing activities exceeded our cash flow from operating activities. If recent adverse trends in charter rates and vessel utilization continue, our ability to continue paying our current dividend per Class A common share may decrease and future dividend payments, if any, may need to be reduced or financed. Before investing in our Class A common shares, you should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-12 of this prospectus supplement and on page 4 of the accompanying base prospectus.

Greater China Intermodal Investments LLC

In March 2011, we co-founded Greater China Intermodal Investments LLC, or GCI, which is our investment partnership established with an affiliate of global asset manager The Carlyle Group, or Carlyle, and others. GCI invests equity capital in containership assets, primarily newbuilding vessels strategic to the People s Republic of China, Taiwan, Hong Kong and Macau, or Greater China. Our belief in co-founding GCI was that the combination of our expertise and relationships in the containership market and Carlyle s financial resources, global business network and access to capital would enhance our ability to take advantage of growth opportunities in the containership market.

GCI intends to invest up to $900 million equity capital in containership assets, of which we committed up to $100 million. We currently have an ownership interest in GCI of approximately 10.7% and, as of March 31, 2016, our equity investment in GCI totaled approximately $45.9 million. GCI s fleet of 22 containerships is comprised primarily of modern large and ultra-large vessels, including 15 on-the-water vessels and seven newbuilding vessels with delivery dates scheduled through the end of 2017. All such vessels, other than two of the newbuildings and two of the on-the-water vessels, are subject to long-term charter contracts with liner companies that are existing customers of us. We have overseen the construction of nearly all of GCI s vessels and manage all of their operating fleet. For additional information about GCI, please read Certain Relationships and Related Party Transactions Our Investment in Carlyle Containership-Focused Investment Vehicle.

Recent Developments

Potential Acquisition of Greater China Intermodal Investments LLC

Our growth strategy includes expanding our fleet through the selective acquisition of newbuildings and on-the-water containerships. We have had extensive discussions with the owners of GCI about potentially acquiring the remaining approximate 89% equity interests of GCI that we do not currently own. Any such acquisition would be subject to the approval of our board of directors independent governance and conflicts committee, the receipt of a fairness opinion and the approval of GCI s board of managers. We have not entered into any definitive agreement for an acquisition of GCI and may not determine or agree to pursue any such transaction. If we were to acquire GCI, we expect that a substantial portion of the purchase price would consist of our assumption of GCI vessel-related debt and remaining newbuilding obligations.

GCI is owned 83% by Greater China Industrial Investments LLC, or GC Industrial, an affiliate of Carlyle, 10.7% by our subsidiary Seaspan Investment I Ltd., 3.6% by Tiger Management Limited, an entity controlled by one of our directors, Graham Porter, or the Tiger Member, and 2.7% by Blue Water Commerce, LLC, an affiliate of Dennis R. Washington, our largest shareholder, or the Washington Member. The Tiger Member also has an ownership interest in GC Industrial, and the Washington Member and Gerry Wang, our co-founder, co-chairman and chief executive officer, have interests in the Tiger Member. As a result, Messrs. Wang and Porter and the Washington Member would have indirect interests in certain incentive distributions that GC Industrial would receive from GCI, pursuant to GCI s operating agreement, upon any sale of GCI. Our employment agreement with Mr. Wang provides that we would pay him certain transaction fees in connection with any acquisition by us of GCI. An affiliate of Mr. Porter is party to a services agreement with us that would result in payments to the affiliate relating to certain debt and lease financings we may incur in connection with any acquisition by us of GCI. For additional information about GCI and these arrangements, please read Certain Relationships and Related Party Transactions.

We can provide no assurance as to whether any transaction involving GCI may occur or, if a transaction is completed, the terms of such transaction. In addition, there can be no assurance that any such transaction, if completed, would be viewed in a positive manner by investors.

Hanjin Shipping Restructuring

Our customer Hanjin Shipping Co. Ltd., or Hanjin, announced on May 4, 2016 that it is pursuing a voluntary restructuring arrangement with its lenders, led by state-owned Korea Development Bank, or KDB. Hanjin charters three of our 10000 TEU vessels and four of GCI s 10000 TEU vessels under 10-year charter contracts, with options to extend. The total contracted future revenue under our three charter contracts with Hanjin is approximately $375.8 million, excluding extension options. Hanjin currently is making monthly payments under its charters with us, but, as of the date of this prospectus supplement, we have a total of approximately $11.6 million of accounts receivable relating to the charters, all of which is past due.

Hanjin has made a request to us and other owners of containership vessels that Hanjin charters for a reduction in existing charter rates for a period of three and one half years, in exchange for securities in a restructured Hanjin. We rejected this request, and neither Hanjin nor KDB can change the charter rates in the voluntary restructuring without our consent. However, Hanjin may fail to continue to promptly make charter payments or may seek to terminate the charter contracts. A failure by Hanjin to continue to promptly make payments under the charter contracts, termination of the charter contracts or an insolvency or similar event involving Hanjin could result in a default under our financing agreements relating to our Hanjin vessels and permit the lenders to exercise available remedies. Hanjin s failure to continue to make charter payments would also permit us to arrest the applicable vessels, terminate the charters and seek to recharter the vessels, and exercise other remedies under the charters and otherwise, which, we believe would further materially harm Hanjin s business and restructuring efforts. It is uncertain at this time how the Hanjin restructuring may affect us and Hanjin s obligations under its existing contracts with us. We have not taken any reserve or allowance in our financial statements when valuing the past due receivables.

Series F Preferred Stock Financing

On May 17, 2016, we issued to a third-party Asian investor 5.6 million shares of our 6.95% Cumulative Convertible Perpetual Preferred Shares Series F, or Series F Preferred Shares, at a price of $25.00 per Series F Preferred Share, for an aggregate purchase price of $140 million. We intend to use the net proceeds from the Series F Preferred Share issuance to finance substantially all of our announced redemption of 5.6 million shares of our Series C preferred shares, which is scheduled to occur on June 7, 2016. The 5.6 million Series C preferred shares to be redeemed represent approximately 42% of the

outstanding Series C preferred shares. For a summary of preferences, rights and powers of the holders of Series F Preferred Shares, please see Description of Capital Stock Series F Preferred Shares.

Partial Redemption of Series C Preferred Shares

We intend to use approximately $85 million of the net proceeds from this offering and the concurrent sale to redeem shares of our Series C preferred shares. Such redemption will be in addition to our pending redemption of 5.6 million Series C preferred shares, which redemption is scheduled to occur on June 7, 2016 and will be financed from the net proceeds of the issuance of our Series F Preferred Shares. The Series C preferred shares will be redeemed at the cash redemption price of $25.00 per share plus an amount equal to all accumulated and unpaid dividends from April 30, 2016 to the applicable redemption date.

Employment Agreement with CEO Gerry Wang

On May 16, 2016, we entered into an employment agreement with Gerry Wang to replace the existing employment agreement, dated December 7, 2012. Pursuant to the new employment agreement, Mr. Wang has agreed to continue to serve as our chief executive officer and co-chairman through May 31, 2021. The new employment agreement will result in increased general and administrative expense, due primarily to the equity-based compensation granted to Mr. Wang under the agreement, commencing in the second quarter of 2016. For additional information about the new employment agreement, please read Certain Relationships and Related Party Transactions Employment Agreement with Gerry Wang.

Financial Services Agreement

On May 16, 2016, we entered into a financial services agreement, or the Financial Services Agreement, with Seaspan Financial Services Ltd., or SFSL, an entity owned and controlled by our director Graham Porter, to replace the financial services agreement dated March 14, 2011, between us and Tiger Ventures Limited, an entity also owned and controlled by Mr. Porter. Under the Financial Services Agreement, SFSL will provide us with certain strategic services, including negotiating and procuring pre-delivery and post-delivery financing or refinancing for the construction of new vessels or the acquisition of used vessels. For additional information about the Financial Services Agreement, please read Certain Relationships and Related Party Transactions Financial Services Agreement.

17-Year Lease Financing

In May 2016, we entered into a 17-year lease financing arrangement with an Asian-based leasing company for gross proceeds of over $250 million, which financing bears interest at LIBOR plus a margin. We will use the lease financing proceeds to fund the construction and delivery of three 11000 TEU newbuilding containerships which will commence 17-year bareboat charters upon their deliveries, which are expected during 2017.

Unsecured Revolver Renewal

In April 2016, we completed the renewal of our 364-day unsecured, revolving loan facility with various banks for a total commitment of $150 million. The facility includes features providing for an increase in commitments by up to $30 million, enabling a total facility size of up to $180 million. The revolving loan facility bears interest at LIBOR plus a margin and will be used to fund vessels under construction and for general corporate purposes, and will expire on April 30, 2017.

Lease Financings Involving Vessels Previously Owned by GCI; Termination of Right of First Refusal

On April 28, 2016, we entered into a lease financing arrangement with third parties for one 10000 TEU newbuilding vessel. We are leasing the vessel from the third parties over an initial term of nine years, with

an option to purchase the vessel at the end of the lease term for a predetermined fair value purchase price. If the purchase option is not exercised, the lease term will be automatically extended for an additional two years. The lease financing arrangement provides financing at market rates. We received the eight-year time charter contract with MOL for the *MOL Beyond* from GCI for no consideration.

On May 6, 2016, we entered into a lease financing arrangement with third parties for one 14000 TEU newbuilding vessel. We are leasing the vessel from the third parties over a term of 12 years, with an option to purchase the vessel at the nine year and six month anniversary of the lease for a predetermined fair value purchase price. The lease financing arrangement provides financing at market rates. We received the 10-year time charter contract with Yang Ming for the *YM Window* from GCI for no consideration.

In May 2016, with the delivery of the *MOL Beyond* and the *YM Window*, GCI repaid us $54 million on our demand loan to GCI.

Our right of first refusal arrangement with GCI, or the ROFR, expired on March 31, 2016. The ROFR was established in March 2011 and provided for the allocation of certain containership newbuilding and acquisition opportunities between us and GCI. Following expiration of the ROFR, there are no binding arrangements between us and GCI relating to any such future containership opportunities.

Corporate Information

We are a Marshall Islands corporation incorporated on May 3, 2005. We maintain our principal executive offices at Unit 2, 2nd Floor, Bupa Centre, 141 Connaught Road West, Hong Kong, China. Our telephone number is (852) 2540-1686. We maintain a website at www.seaspancorp.com. The information on our website is not part of this prospectus, and you should rely only on the information contained in this prospectus and the documents we incorporate by reference herein when making a decision as to whether to invest in our Class A common shares.

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THE OFFERING

Issuer	Seaspan Corporation
Class A common shares offered to the public by us	5,000,000 Class A common shares, plus up to an additional 750,000 Class A common shares if the underwriters exercise their option to purchase additional Class A common shares in full.
Concurrent sale	Our chief executive officer and affiliates of one of our directors and of Dennis Washington have agreed to purchase directly from us, at the public offering price, an aggregate of $15 million of additional shares of our Class A common stock concurrently with the closing of this offering.
Class A common shares outstanding immediately after this offering	104,288,715 Class A common shares (105,038,715 Class A common shares if the underwriters exercise their option to purchase additional Class A common shares in full).
Use of Proceeds	We estimate that we will receive net proceeds from this offering of approximately $70.2 million (or $80.8 million if the underwriters exercise their option to purchase additional Class A common shares in full), after deducting underwriting discounts and estimated offering expenses for this offering. We will receive additional net proceeds of $15 million from the sale of additional shares of Class A common shares in the concurrent sale, based on the same price per share as in the offering. We intend to use approximately $85 million of the net proceeds from this offering and the concurrent sale to redeem a portion of our outstanding Series C preferred shares, with the balance to be used for general corporate purposes. Please read Use of Proceeds.
Risk Factors	An investment in our Class A common shares involves risks. You should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-12 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Class A common shares is appropriate for you.

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