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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)

PROPOSED ADOPTION OF SHARE OPTION SCHEME

BACKGROUND

The board of directors (the “**Board**”) of CSSC (Hong Kong) Shipping Company Limited (the “**Company**”) is pleased to announce that it has resolved to propose the adoption of a share option scheme (the “**Share Option Scheme**”) to, among others, further improve the governance structure of the Company and to attract, retain and motivate certain employees of the Company.

The Share Option Scheme is subject to the obtaining of the approval from (i) the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China (the “**SASAC**”); (ii) the shareholders of the Company (the “**Shareholders**”) at a general meeting to be convened in due course; and (iii) The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing and trading of any shares of the Company to be issued under the share options that may be granted under the Share Option Scheme.

The purpose of the Share Option Scheme is to (i) further improve the corporate governance structure of the Company and to establish and continuously improve the balance of interest mechanism among the Shareholders, the Company’s management and the Company’s executives; (ii) closely integrate the interests of the Shareholders and the Company’s senior management members and core talents, to convey value orientation, to enhance Shareholder value, and to promote the preservation and appreciation of state-owned assets; (iii) deepen the reform of the Company’s remuneration system, to establish a long-term incentive mechanism, to fully mobilize the enthusiasm of the Company’s employees, and to attract, retain and motivate outstanding management members and core technical backbone employees of the Company; and (iv) advocate the concept of collective sustainable development of the Company and its employees and to avoid short-term behaviors, thereby ensuring the Company’s sustainable development.

IMPLICATIONS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE

The Share Option Scheme will constitute a share option scheme under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange.

SHAREHOLDERS' APPROVAL

The Board will propose the Share Option Scheme for Shareholders' approval at a general meeting to be convened in due course.

The Share Option Scheme will only become capable of implementation after obtaining the approval from the SASAC, the Shareholders at a general meeting, and the Stock Exchange for the listing and trading of any shares of the Company to be issued under the share options that may be granted under the Share Option Scheme. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 25 February 2021

As at the date of this announcement, the Board comprises Mr. Zhong Jian and Mr. Hu Kai as executive directors, Mr. Li Wei and Mr. Zou Yuanjing as non-executive directors, and Mdm. Shing Mo Han Yvonne, Mr. Li Hongji and Mr. Wang Dennis as independent non-executive directors.