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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the “**Directors**”) (the “**Board**”) of CSSC (Hong Kong) Shipping Company Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2020, together with comparative figures for the year ended 31 December 2019, which shall be read in conjunction with the management discussion and analysis, as follows:

FINANCIAL HIGHLIGHTS

1. Summary of Consolidated Income Statement

<i>(HKD in thousands)</i>	For the year ended 31 December		
	2020	2019	Change
Revenue	1,861,565	2,294,397	(18.9%)
Total expenses	(1,063,748)	(1,411,878)	(24.7%)
Profit from operations	1,025,784	847,648	21.0%
Profit for the year	1,113,806	892,379	24.8%
Earnings per share (HK\$)	0.181	0.163	11.0%

2. Summary of Consolidated Statement of Financial Position

<i>(HKD in thousands)</i>	As at 31 December		Change
	2020	2019	
Total assets	30,530,654	27,696,412	10.2%
Total liabilities	21,539,717	19,247,168	11.9%
Total equity	8,990,937	8,449,244	6.4%

3. Selected Financial Ratios

	For the year ended 31 December/ As at 31 December	
	2020	2019
Return on average assets ⁽¹⁾	3.8%	3.1%
Return on average net assets ⁽²⁾	12.8%	12.5%
Average cost of interest-bearing liabilities ⁽³⁾	3.0%	4.1%
Net profit margin ⁽⁴⁾	59.8%	38.9%
Asset-liability ratio ⁽⁵⁾	70.6%	69.5%
Risk asset-to-equity ratio ⁽⁶⁾	3.1 times	3.0 times
Gearing ratio ⁽⁷⁾	2.3 times	2.2 times
Net debt-to-equity ratio ⁽⁸⁾	2.0 times	1.9 times
Credit ratings		
S&P Global Ratings	A-	A-
Fitch Ratings	A	A

Notes:

- (1) Calculated by dividing net profit for the year by the average balance of total assets at the beginning and the end of the year.
- (2) Calculated by dividing net profit attributable to the equity holders of the Company for the year by the average balance of net assets attributable to the equity holders of the Company at the beginning and the end of the year.
- (3) Calculated by dividing finance costs and bank charges by the average balance of borrowings at the beginning and the end of the year.
- (4) Calculated by dividing net profit for the year by revenue for the year.
- (5) Calculated by dividing total liabilities by total assets.
- (6) Calculated by dividing risk assets by total equity. Risk assets represent total assets less cash and cash equivalents and time deposits with maturity over three months.
- (7) Calculated by dividing total borrowings by total equity.
- (8) Calculated by dividing net debts by total equity. Net debts represent borrowings less cash and cash equivalents.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Conditions

The COVID-19 epidemic has accelerated the fluctuations in the world's macroeconomic and seaborne trade volume, development of the shipping industry diverged and certain subdivided markets had exceeded our expectations. During the COVID-19 epidemic, the world economy has declined significantly. Coupled with the surging of extreme thoughts, such as unilateralism, protectionism, hegemonism, etc., operation of the global industrial chain, supply chain and value chain were once disrupted, leading to the first negative growth (-3.8%) after the financial crisis in the world's seaborne trade in 2020. However, due to the increasingly complex and volatile macro environment, commodities such as crude oil and iron ore experienced drastic fluctuations in prices, the economic and social recovery of major economies was unsynchronized and unbalanced, which led to frequent unexpected trends in the shipping industry, for example, the oil shipping market skyrocketed in mid-to-late April 2020, the container shipping market continued to prosper in the second half of the year, and the dry bulk shipping market surged twice in the middle and the end of the year. Therefore, although seaborne trade volume declined, the tragedies in the international shipping industry in 2009 or 2016 have not repeated in 2020. The Clarkson's Shipping Index, an industry barometer, recorded an annual average value of US\$14,839 per day, down by 1.6% as compared with that of last year, which was still at a high level in the past decade. Shipowners and operators in certain subdivided shipping sectors have generally achieved gratifying results.

The market breadth of bulk carrier market fluctuated. In the past year, the downward pressure on the world economy increased as the COVID-19 epidemic continued to escalate and a series of black swan events were frequently triggered, which led to the fluctuation in the market breadth of bulk carrier market. Under the coupling effect of policies on the COVID-19 epidemic, Australia's and Brazil's iron ore pellets and domestic coal, Baltic Dry Index showed two small periodic fluctuations during the year.

The crude oil vessel market fluctuated downward. As the global COVID-19 epidemic continued to escalate at the beginning of the year, it was expected that the downward pressure on the international economy would increase, and global crude oil consumption demand was extremely sluggish. However, in late March 2020, major oil-producing countries ramped up production, and as a result, international oil prices plummeted, which once stimulated the concentrated release of oil transportation demand and supported the surge of freight rates to a historic high. Since June 2020, the benefit of low oil prices has faded, and as the off season of oil freight approached, the crude oil freight market had once again experienced a general decline. In the fourth quarter of the year, global energy demand continued to be restrained with major subdivided ship models plunging to the lowest value of the year, and Baltic Exchange Dirty Tanker Index falling to the lowest point since 2000.

Refined oil tanker market leaped high then finished low. In March and April 2020, as the oil prices plunged, the international shipments of refined oil increased significantly, and the freight rate among the of refined oil tanker market skyrocketed, reaching a new high since 2005. Subsequently, as oil prices have risen, the refined oil tanker market then declined again. In the fourth quarter of the year, the freight rates of major subdivided ship models dropped to the lowest point of the year.

The container ship market has been soaring at the end of the year. Given the impact of the epidemic, countries strictly adhered to epidemic prevention measures in the first half of the year. Coupled with insufficient end consumer demand, the trend of the container shipping market was sluggish, and suspension of transportation capacity and idle cabin were severe. In the third quarter of the year, the trend of the epidemic across the world diverged, many countries gradually eased out their prevention and control measures, and the container shipping market stabilized and rebounded. In the fourth quarter of the year, the epidemic in western countries escalated, which stimulated the release of demand for daily necessities and medical products, and shipping demand therefore continued to run at a high level. In December 2020, China Containerized Freight Index continuously soared and hit a new high since 2005.

2. Business Review

1) *Ship leasing business developed steadily, and the Company's profit grew significantly*

The Group focuses on ship leasing services. In 2020, the COVID-19 epidemic has become a pandemic worldwide and was normalized for a prolonged period, which severely impacted the global shipping market, investment in new ships, ship production and delivery, and business transactions. Leveraging its own professional advantages and anti-risk capabilities, the Group has achieved rapid growth in its results. For the year ended 31 December 2020, the Group's profit for the year was HK\$1.114 billion, representing a year-on-year increase of 24.8%, setting a record high and maintaining rapid growth for years. The operating profit of the Group was HK\$1.026 billion, representing a year-on-year increase of 21%, reflecting the strong growth of the Company's business. As at 31 December 2020, the Group's return on average net assets and return on average assets were 12.8% and 3.8%, respectively, representing growth as compared to 2019. The Group, including its joint ventures and associates, newly commenced 16 lease contracts and completed 7 lease contracts with 90 lease contracts in total, among which, 40 were operating lease contracts and 50 were financial lease contracts. Among the 90 ongoing lease contracts, there were 73 lease contracts with a term of over one year, and the weighted average remaining lease term was approximately 7.3 years.

The Group seized the opportunity of low prices of ship assets and insisted on implementing counter-cyclical investment. In 2020, the Group has increased its efforts in investment in high-quality ships in subdivided markets such as clean energy equipment, dual-fuel gas carriers, dual-fuel long-range liquefied petroleum gas carriers, new medium-range chemical tankers, environmentally friendly feeder tankers, and smart fishery large-scale aquaculture ships, thereby continuously optimising its asset allocation. In 2020, despite the extremely challenging market environment, the Group, including its joint ventures and associates, entered into contracts for 31 new vessels with a contract value of US\$1.122 billion, which was the highest level since the establishment of the Group. In 2020, the Group, including its joint ventures and associates, entered into ship leasing contracts with 7 new customers, which further reflected the Company's ability to develop business. As at 31 December 2020, the vessel portfolio of the Group, including its joint ventures and associates, reached 136 vessels, of which 90 vessels were operating and 46 vessels were under construction. The utilization rate of our ship portfolio reached 100%, and the recovery rate of charter hire in cash was 97.65%. The Group continued to maintain a diverse, modern and young ship portfolio. In terms of contract amount, bulk carriers, container vessels, tankers, marine clean energy equipment and special tonnage carriers accounted for 19%, 11%, 14%, 34%, and 22%, respectively. The allocation of ship assets was diverse with reasonable structure and has continuous competitiveness.

2) *Ship operating assets continued to shine, supporting the Company's continuous growth*

Since its establishment, leveraging its professional advantages as a shipyard-affiliated leasing company, the Group has continued to enhance the allocation of ship operating assets in accordance with the changes in operating environment. As at 31 December 2020, the carrying amount of the Group's ship operating assets was approximately US\$970 million. With the gradual recovery of the shipping market, according to third-party valuations, the market value of the Company's operating assets had a 10% premium over its carrying amount. In 2020, the percentage of the Group's operating lease income to its total revenue increased to 53.6%, representing an increase of 25 percentage points from 28.6% in 2019. In 2020, the Group optimized its asset allocation through disposing of numerous ship assets, and recorded a gain of over HK\$100 million. The Company continued to adopt the strategy of counter-cyclical investment in operating assets and took advantages of market fluctuations to obtain asset premiums. The outstanding performance of the Company's operating assets will continue to support the development of its results.

3) *Outstanding operating results of joint ventures, creating a new growth point for the Company's results*

The joint ventures established by the Group had 3 new vessels commencing operation in 2020, and had 11 vessels in operation with an investment revenue of HK\$102 million recorded. In the next two years, the 10 vessels under construction of the ship associate will also be put into operation gradually, and the number of vessels owned will further increase, providing strong support for the further development of the Group.

4) *Implementation of diverse financing methods led to the significant decrease in financing costs*

During the year, the Group successfully issued United States dollar ("USD") bonds in an aggregate amount of US\$800 million with an average annual interest rate of 2.75%. The issuance rate of such bonds was in market low, which highlighted the continuous improvement of the Group's financing capabilities. Moreover, the utilization of bond funds for capital investment in ship leasing business and replacement of certain high-interest loans further reduced the cost of interest-bearing liabilities of the Group. For the year ended 31 December 2020, S&P Global Ratings and Fitch Ratings continued to assign corporate credit ratings of "A-"/stable and "A"/stable, respectively, to the Group. The Group maintained close cooperation and established good credit relationships with 20 banks, which further optimized its debt structure and external financing conditions, thereby achieving a substantial reduction in financing costs. The comprehensive annual interest rate of the Group's interest-bearing liabilities in 2020 was 3.0% as compared to 4.1% in 2019.

5) *Continued implementation of high dividend policy, attaching great importance to reasonable investment returns for investors*

2020 marked the first full year of the Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Group continued to maintain rapid earnings growth, and its earnings per share in 2020 further increased to HK\$0.181, representing an increase of 11% as compared with HK\$0.163 in 2019. The Group adhered to a stable dividend policy and distributed an interim dividend of HK\$0.03 per share in 2020. The Group expected to distribute a final dividend of HK\$0.06 per share in 2020 with a dividend of HK\$552 million distributed in total, representing a year-on-year increase of 12.5%. The dividend ratio remained high at approximately 50%.

OUTLOOK

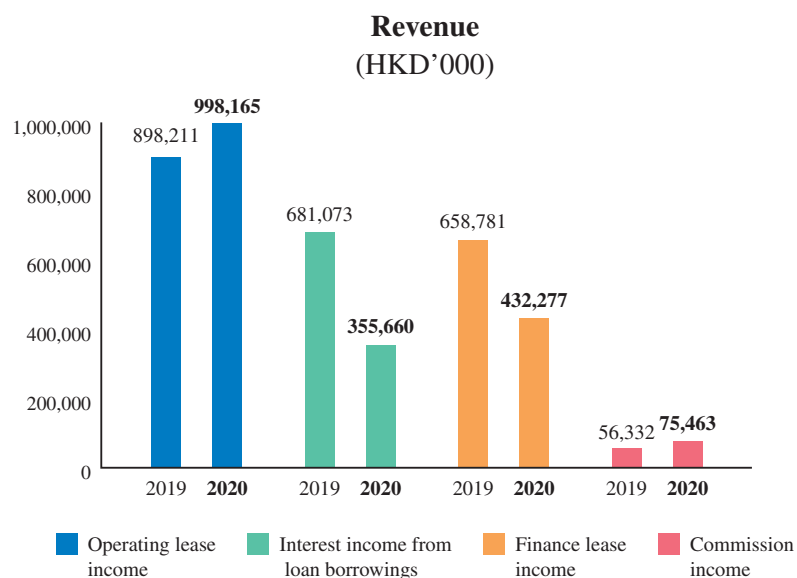
In 2021, the world's political and economic situation will remain complex and severe, and there will be many uncertainties in relation to the changes in epidemic situation and the external environment. We shall not ignore the risks arising thereof. However, the advent and promotion of vaccines will still bring confidence to the international community, coupled with the adjustment of the political situation and policy changes in the United States, as well as the signing and implementation of multilateral trade agreements, such as the Regional Comprehensive Economic Partnership Agreement, the China-Europe Investment Agreement, etc., various mainstream institutions recently predicted that the global economy will rebound significantly. In the context of the gradual recovery of the world economy and society, the growth rate of global seaborne trade is expected to rebound to 5%, exceeding the level prior to the epidemic, among which, the growth rate of seaborne trade volume of cargoes such as oil products, containers, dry bulk, etc. will shift from negative to positive, and the growth rate of seaborne trade volume of cargoes such as liquefied natural gas will increase significantly. The fundamentals of the recovery of shipping market will remain solid, and the operations of ship owners and the enhancement of their investment capabilities are expected to further improve.

3. Financial Review

3.1 Analysis on Consolidated Income Statement

3.1.1 Revenue

The Group's revenue comprises (i) operating lease income; (ii) interest income from loan borrowings; (iii) finance lease income; and (iv) commission income.



Revenue by Service Type

The Group's revenue decreased by 18.9% from HK\$2,294.4 million for the year ended 31 December 2019 to HK\$1,861.6 million for the year ended 31 December 2020, primarily due to the decrease in finance lease income and interest income from loan borrowings.

Operating Lease Income

The Group's operating lease income increased by 11.1% from HK\$898.2 million for the year ended 31 December 2019 to HK\$998.2 million for the year ended 31 December 2020. Such increase in operating lease income was due to the increase in the Group's total shipping capacity in 2020 as the Group added 3 bulk carriers to its vessel portfolio.

Interest Income from Loan Borrowings

The Group's interest income from loan borrowings decreased by 47.8% from HK\$681.1 million for the year ended 31 December 2019 to HK\$355.7 million for the year ended 31 December 2020. The decrease in interest income from loan borrowings was mainly due to (i) the significant decrease in LIBOR as the Group charged its customers based on a floating rate with reference to LIBOR. The average 3-month LIBOR decreased from 2.3% for the year ended 31 December 2019 to 0.7% for the year ended 31 December 2020; and (ii) the decrease in the average balance of loan borrowings of 2.2%. The average balance of loan borrowings decreased from HK\$7,718.4 million as at 31 December 2019 to HK\$7,545.7 million as at 31 December 2020.

Finance Lease Income

The Group's recognised finance lease income of HK\$432.3 million for the year ended 31 December 2020, compared with HK\$658.8 million for the year ended 31 December 2019, representing a decrease of HK\$226.5 million or 34.4%. The decrease in finance lease income was mainly due to (i) the significant decrease in LIBOR as part of the Group's finance lease income is priced on a floating rate basis with reference to LIBOR; and (ii) the decrease in the average balance of finance lease receivables of 16.0%. The average balance of finance lease receivables decreased from HK\$8,152.0 million as at 31 December 2019 to HK\$6,847.8 million as at 31 December 2020 due to the continuous repayment of the principal of finance lease contracts by the charterers and the early repayment by the charterers of the Group's 5 contracts during 2020.

Commission Income

The Group's commission income is generated by providing shipbroking services when the Group successfully facilitates shipbuilding transactions. The Group's commission income increased by 34.1% from HK\$56.3 million for the year ended 31 December 2019 to HK\$75.5 million for the year ended 31 December 2020. Such increase was mainly attributable to the increased number of vessel sales concluded in 2020 as compared to 2019.

3.1.2 Other Income

The main components of other income are (i) interest income from both private and listed bonds and bank deposits; (ii) dividend income from listed preference shares; and (iii) income from government subsidies. The Group recorded a net increase of 8.3% in other income, amounting to HK\$113.1 million for the year ended 31 December 2020 as compared to HK\$104.4 million for the year ended 31 December 2019.

In order to achieve a better investment return, the Group seized market opportunities and further increased its investment in bonds in 2020, which led to an increase of HK\$16.1 million in interest income derived from bonds. In addition, the increase in other income was partially offset by the decrease in interest income from bank deposits.

3.1.3 Other Gains/(Losses), Net

The Group recorded net other gains of HK\$114.8 million for the year ended 31 December 2020, as compared to net other losses of HK\$139.3 million for the year ended 31 December 2019. The other gains derived in 2020 were mainly due to (i) gains on disposal of vessels; (ii) net foreign exchange gain; and (iii) the unrealised gain on changes in fair value of financial assets at fair value through profit or loss.

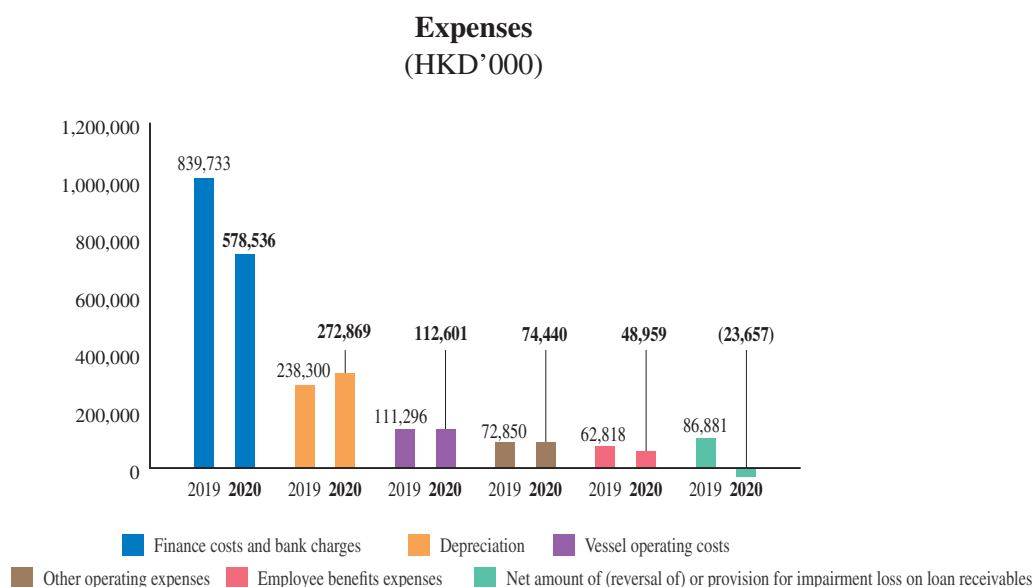
The Group recorded a gain of HK\$128.9 million due to the disposal of 3 vessels in 2020.

The Group recorded the net foreign exchange gain of HK\$42.6 million for the year ended 31 December 2020, as compared to net foreign exchange loss of HK\$27.8 million for the year ended 31 December 2019. The net gain from foreign exchange was due to the appreciation of Euro in relation to our EUR-denominated bank deposit during the year.

The Group recognised unrealised gain on changes in fair value of financial assets at fair value through profit or loss of HK\$28.6 million because the Group further invested in wealth management products in 2020 which performed well during the year. Our management will continue to review the portfolio and seek the best options to improve the investment return.

3.1.4 Expenses

The Group's expenses mainly comprise (i) finance costs and bank charges; (ii) net amount of reversal of or provision for impairment loss on loan receivables; (iii) depreciation; (iv) vessel operating costs; (v) employee benefits expenses; and (vi) other operating expenses.



(a) Finance Costs and Bank Charges

The Group's finance costs and bank charges during the year consist of interests and charges on bank borrowings.

The Group's finance costs and bank charges decreased by 31.1% from HK\$839.7 million for the year ended 31 December 2019 to HK\$578.5 million for the year ended 31 December 2020, primarily due to (i) the Group's improved credit rating and financing viability, which helped the Group obtain lower interest rates from various banks; (ii) the dramatic decrease in the Group's bank loan interest payment that was linked to the floating rates with reference to LIBOR; and (iii) the decrease in the amount of the Group's average bank borrowings from HK\$20,482.7 million as at 31 December 2019 to HK\$19,457.0 million as at 31 December 2020.

(b) Net Amount of Reversal of or Provision for Impairment Loss on Loan Receivables

The reversal for expected credit loss was mainly due to the decrease in provision as the expected credit loss of loan receivables transferred from stage 2 to stage 1. The transfer of loan receivables from stage 2 to stage 1 was mainly due to the improvement of the shipping market of liquefied gas carriers.

(c) Depreciation

The Group's depreciation expenses increased by 14.5% from HK\$238.3 million for the year ended 31 December 2019 to HK\$272.9 million for the year ended 31 December 2020. The increase was mainly attributable to vessels delivered during 2020.

(d) Vessel Operating Costs

The Group's vessel operating costs represent the expenses incurred in operating vessels under operating lease arrangements, including crew expenses, vessel repair and maintenance fees, ship management fees and vessel insurances.

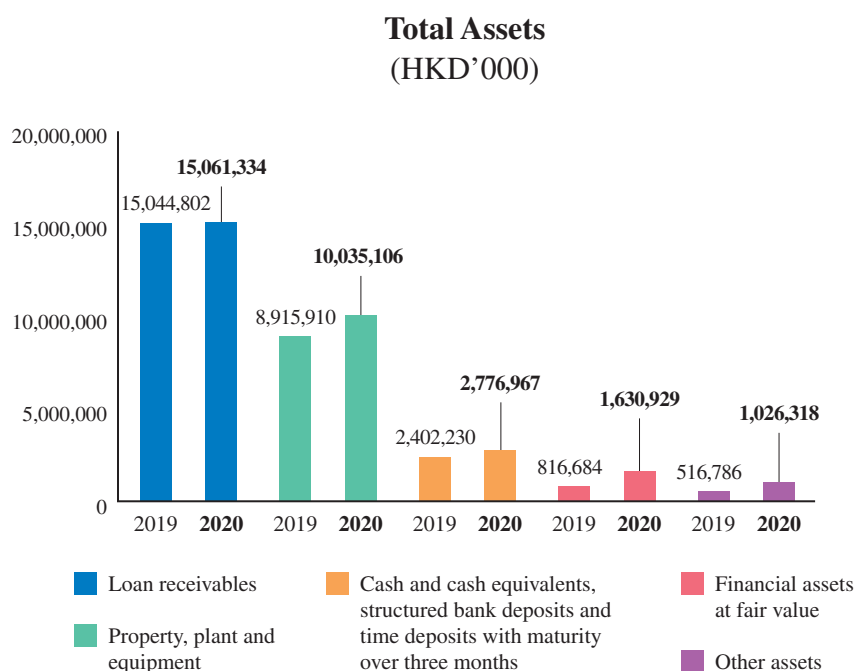
The Group's vessel operating costs amounted to HK\$111.3 million and HK\$112.6 million for the years ended 31 December 2019 and 2020, respectively.

3.1.5 Share of Results of Joint Ventures

The Group's share of results of joint ventures increased significantly from HK\$53.5 million for the year ended 31 December 2019 to HK\$112.7 million for the year ended 31 December 2020. The significant increase was mainly because (i) as at 31 December 2020, the Group's joint venture companies operated 11 vessels as compared to 8 vessels as at 31 December 2019; and (ii) the market for liquefied gas carriers improved during the year. The vessels under construction will be delivered in 2021 and 2022. Our management expected that these vessels will further contribute to the Group's revenue.

3.2 Analysis on the Consolidated Statement of Financial Position

As at 31 December in 2020, the total assets of the Group mainly comprised property, plant and equipment, loan receivables, cash and bank deposits and financial assets at fair value, which accounted for 96.6% of the Group's total assets.



3.2.1 Loan Receivables

The Group's loan receivables comprise (i) loan borrowings; (ii) finance lease receivables; and (iii) loans to joint ventures.

Loan Borrowings

Loan borrowings mainly refer to receivables from the secured loan provided by us. Our loan borrowings were secured and bore interest at rates ranging from 3.6% to 8.0% per annum and repayable from 2021 to 2031 as at 31 December 2020.

The Group's loan borrowings decreased from HK\$7,632.6 million as at 31 December 2019 to HK\$7,458.8 million as at 31 December 2020. The decrease in loan borrowings was mainly due to the continuous repayment of principal amounts made by our customers during the year.

Finance Lease Receivables

Finance lease receivables were secured and repayable within 12 years and bore interest at rates ranging from 3.5% to 9.0% as at 31 December 2020.

The Group's net finance lease receivables amounted to HK\$6,814.0 million and HK\$6,881.5 million as at 31 December 2019 and 31 December 2020, respectively. Such receivables slightly increased because the Group entered into several new finance lease contracts in the fourth quarter of 2020.

Loans to Joint Ventures

Loans to joint ventures represent the unsecured loan to joint ventures which were repayable on demand, of which HK\$352.4 million bore interest at rates ranging from 3.0% to 5.1% per annum as at 31 December 2020.

The Group's loans to joint ventures increased significantly by 20.5% from HK\$598.2 million as at 31 December 2019 to HK\$721.0 million as at 31 December 2020. The increase in loans to joint ventures was mainly due to the injection of funding to joint ventures for vessels under construction which was in accordance with the Group's business plan.

During the year ended 31 December 2020, there was no major default in the repayment of loan receivables from our customers and none of our loan receivables was written off.

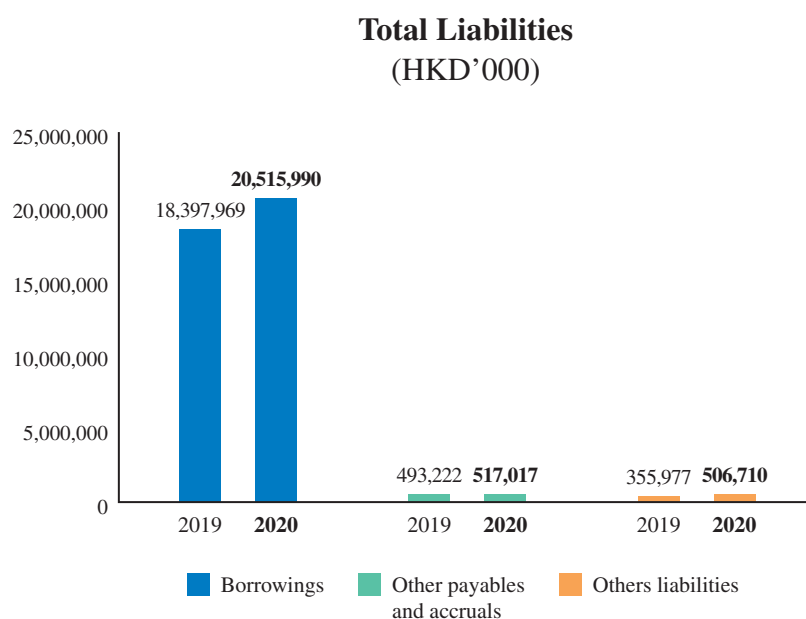
3.2.2 Property, Plant and Equipment

The Group's property, plant and equipment comprise constructions in progress, vessels held for operating leases, leasehold improvements, office equipment and motor vehicles held for business purposes. As at 31 December 2019 and 31 December 2020, the Group's property, plant and equipment amounted to HK\$8,915.9 million and HK\$10,035.1 million, respectively. The increase of 12.6% in the Group's property, plant and equipment during the year was primarily due to the increase in the number of vessels under operating lease arrangements.

3.2.3 Financial assets at fair value

Financial assets at fair value represent private and listed bonds. The Group seized market opportunities and further invested in bonds in 2020 for better investment return. Hence, financial assets at fair value increased from HK\$816.7 million as at 31 December 2019 to HK\$1,630.9 million as at 31 December 2020.

As at 31 December 2020, the total liabilities of the Group mainly comprised borrowings, which accounted for 95.2% of its total liabilities. Other payables and accruals accounted for 2.4% of the Group's total liabilities.



3.2.4 Borrowings

Our borrowings increased by 11.5% from HK\$18,398.0 million as at 31 December 2019 to HK\$20,516.0 million as at 31 December 2020, mainly due to the drawdown of borrowings during 2020 and the issuance of US\$800 million bonds in the first half of 2020.

The weighted average interest rates for the years ended 31 December 2019 and 2020 ranged from 2.69% to 4.60% and 1.12% to 3.62%, respectively.

There was no delay in the repayment of or default in any of our bank borrowings during the year.

Liquidity and Working Capital

During the year, the Group funded its operations and growth primarily through cash generated from operations, bank borrowings and issuance of bonds. When determining the allocation of its capital resources, the Group primarily considers its business strategies and development plans, future capital needs and projected cash flow.

During the year, the Group primarily relied on bank borrowings and issuance of bonds to finance its capital expenditure and its financial and liquidity needs derived from its growing business operation. Since the Group is principally engaged in the provision of leasing and loan services, which are capital intensive in nature, the Group requires substantial working capital for its daily operations.

Taking into account the historical and expected future cash flows from operations, unutilised available banking facilities of the Group, the Group will have adequate resources to meet its liabilities and commitment as and when they fall due and will be able to continue its operational existence for the foreseeable future.

Pledge of Assets

As at 31 December 2020, the Group's property, plant and equipment for operating lease of HK\$2,545.1 million (31 December 2019: HK\$2,514.7 million), loan receivables of HK\$9,594.4 million (31 December 2019: HK\$11,344.0 million) and bank deposits of HK\$158.6 million (31 December 2019: HK\$35.0 million) were pledged to bank to acquire bank loans.

Foreign Exchange Risk and Interest Rate Risk

In terms of interest rate risk, the Company's interest spread may be narrowed due to fluctuations in market interest rate. In 2020, as affected by COVID-19, the USD interest rate market fluctuated significantly, increasing the pressure on the Company's interest rate risk management and control.

The Group manages interest rate risk mainly by controlling the interest rate of its lease assets and the corresponding liabilities. Most of the Group's finance lease businesses charge charter hire at floating interest rates, which is calculated using USD LIBOR, and the corresponding bank loans carry interest at floating interest rates linked to LIBOR with no interest rate risk. As some of the Group's operating lease businesses charge charter hire at fixed interest rates, while the corresponding bank loans carry interest at floating interest rates, the Group is exposed to interest rate risk. The Group uses bank loans bearing fixed interest rates, issues fixed-rate bonds, and converts floating interest rates into fixed interest rates through interest rate swap and cross-currency interest rate swap contracts to hedge against the relevant interest rate risk, thereby effectively matching the future fixed charter hire income and reducing the impact of changes in USD interest rate on the Group's operating results. As at 31 December 2020, the Group had interest rate swap contracts with a principal amount of US\$708.9 million.

In terms of exchange rate risk, the vessels under finance lease and operating lease of the Company are purchased in USD, and the corresponding finance lease receivables and fixed assets are denominated in USD, while the main source of funding is bank loans denominated in USD. There is therefore no significant risk exposure in interest rate. The Group holds some of its monetary funds in Hong Kong dollars, Renminbi and Euro, but the overall proportion is relatively small. Due to the different levels of appreciation of Hong Kong dollars and Euro against USD, the Group's exchange gain was approximately HK\$42.6 million for the year ended 31 December 2020.

Capital expenditures

The capital expenditures of the Group principally comprise expenditures for the construction of vessels. In 2020, the capital expenditures of the Group amounted to HK\$1,516.9 million. The Group financed its capital expenditures through cash from operating activities and bank borrowings. As at 31 December 2020, the capital commitment for construction of vessels amounted to HK\$2,834.7 million, which was expected to be paid in the next 3 years.

Human resources

As at 31 December 2020, the Group had a total of 74 employees, approximately 42% of whom were based in Hong Kong. The Group has a team of high-quality talents with bachelor's degree or above. As at 31 December 2020, approximately 96% of the Group's employees had a bachelor's degree or above. For the years ended 31 December 2020 and 31 December 2019, the remuneration of the Group's employees amounted to approximately HK\$49.0 million and HK\$62.8 million, respectively. The Group endeavors to create a competitive and fair system for remuneration and welfare. The remuneration package of the Group's employees includes basic salary and performance-related bonus. The Group reviews the remuneration package and performance of its employees annually.

Use of proceeds from listing

As of 31 December 2020, proceeds from listing has been fully utilized.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	HK\$'000	HK\$'000
Revenue	3	1,861,565	2,294,397
Other income	4	113,118	104,381
Other gains/(losses), net		114,849	(139,252)
Expenses			
Finance cost and bank charges	5	(578,536)	(839,733)
Reversal of/(provision for) impairment of loan receivables, net		23,657	(86,881)
Depreciation		(272,869)	(238,300)
Vessel operating costs		(112,601)	(111,296)
Employee benefits expenses		(48,959)	(62,818)
Other operating expenses		(74,440)	(72,850)
Total expenses		(1,063,748)	(1,411,878)
Profit from operations	6	1,025,784	847,648
Share of results of joint ventures		112,699	53,547
Share of results of associates		(10,315)	3,021
Profit before income tax		1,128,168	904,216
Income tax expense	7	(14,362)	(11,837)
Profit for the year		1,113,806	892,379
Profit for the year attributable to:			
Equity holders of the Company		1,108,518	883,089
Non-controlling interests		5,288	9,290
		1,113,806	892,379
Earnings per share (HK\$)	9		
Basic and diluted		0.181	0.163

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year	<u>1,113,806</u>	<u>892,379</u>
Other comprehensive loss including reclassification adjustments for the year		
Items that will be reclassified subsequently to profit or loss:		
– Exchange differences on translation of investments in subsidiaries, associates and joint ventures	7,379	(37,369)
– Fair value change of financial assets at fair value through other comprehensive income (debt instruments)	3,488	17,528
– Release upon settlement of debt instruments at fair value through other comprehensive income	–	(3,384)
– Fair value change of derivative financial instruments (cash flow hedges)	(111,027)	(67,055)
– Reclassification of fair value change on derivative instruments designated as cash flow hedge to profit or loss	8,214	–
Items that will not be reclassified subsequently to profit or loss:		
– Fair value change of financial assets at fair value through other comprehensive income (equity instruments)	<u>10,718</u>	<u>53,584</u>
Total other comprehensive loss for the year	<u>(81,228)</u>	<u>(36,696)</u>
Total comprehensive income for the year	<u><u>1,032,578</u></u>	<u><u>855,683</u></u>
Total comprehensive income for the year attributable to:		
Equity holders of the Company	1,027,469	846,398
Non-controlling interests	<u>5,109</u>	<u>9,285</u>
Total comprehensive income for the year	<u><u>1,032,578</u></u>	<u><u>855,683</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020	2019
	Note	HK\$'000	HK\$'000
ASSETS			
Property, plant and equipment		10,035,106	8,915,910
Right-of-use assets		32,964	23,685
Interests in joint ventures		483,480	211,304
Interests in associates		49,784	35,618
Loan receivables	10	15,061,334	15,044,802
Derivative financial assets		10,306	3,881
Prepayments, deposits and other receivables		394,569	164,695
Financial assets at fair value through profit or loss		904,671	39,460
Financial assets at fair value through other comprehensive income		726,258	777,224
Amounts due from associates		25,320	23,968
Amounts due from fellow subsidiaries		3,024	220
Amounts due from joint ventures		26,871	4,776
Structured bank deposits		467,443	335,653
Time deposits with maturity over three months		129,244	171,395
Cash and cash equivalents		2,180,280	1,895,182
Asset held for sales		—	48,639
Total assets		30,530,654	27,696,412

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
LIABILITIES		
Income tax payables	32,386	22,138
Borrowings	20,515,990	18,397,969
Derivative financial liabilities	263,958	105,966
Amounts due to fellow subsidiaries	17,490	20,179
Amount due to a joint venture	71,732	96,118
Amount due to a non-controlling interest	87,497	87,922
Other payables and accruals	517,017	493,222
Lease liabilities	33,647	23,654
	<hr/>	<hr/>
Total liabilities	21,539,717	19,247,168
	<hr/>	<hr/>
Net assets	8,990,937	8,449,244
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	6,614,466	6,614,466
Reserves	2,332,876	1,796,292
	<hr/>	<hr/>
	8,947,342	8,410,758
Non-controlling interests	43,595	38,486
	<hr/>	<hr/>
Total equity	8,990,937	8,449,244
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “**Hong Kong Companies Ordinances**”).

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2 ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in these consolidated financial statements are consistent with those adopted in the annual consolidated financial statements for the year ended 31 December 2019, except that the Group has adopted the following amended HKFRSs, which are effective for the annual period beginning from 1 January 2020.

(a) Amended HKFRSs that are effective for annual period beginning from 1 January 2020

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The adoption of these amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(b) Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but not yet effective and have not been early adopted by the Group.

HKFRS 17	Insurance Contracts and related amendments ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁶
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 16	COVID-19 – Related Rent Concessions ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ³
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁶

Notes:

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective date not yet determined

⁶ Effective for business combinations/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The adoption of the new and amended HKFRSs are not expected to have material impact on the Group's financial statements.

3 SEGMENT INFORMATION AND REVENUE

The chief operating decision-maker (“CODM”) has been identified as the executive directors of the Company. The executive directors review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports and analysed from business perspectives: (i) leasing services, (ii) shipbroking services and (iii) loan borrowings.

The segment information provided to the executive directors for the years ended 31 December 2020 and 2019 are as follows:

The Group derives revenue from the transfer of services in the following:

	Leasing services <i>HK\$'000</i>	Loan borrowings <i>HK\$'000</i>	Shipbroking services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2020				
Segment revenue	1,430,442	355,660	75,463	1,861,565
Inter-segment revenue	—	—	—	—
Revenue from external customers	<u>1,430,442</u>	<u>355,660</u>	<u>75,463</u>	<u>1,861,565</u>
Year ended 31 December 2019				
Segment revenue	1,556,992	681,073	56,332	2,294,397
Inter-segment revenue	—	—	—	—
Revenue from external customers	<u>1,556,992</u>	<u>681,073</u>	<u>56,332</u>	<u>2,294,397</u>

Commission income from charterer included in shipbroking services, are recognised over time and commission income received from shipbuilder, including in shipbroking services segment, are recognised at point in time during the year.

For the year ended 31 December 2020, commission income included in shipbroking services are recognised at a point in time and over time amounting to HK\$25,314,000 and HK\$50,149,000 (2019: HK\$56,332,000 and HK\$Nil) respectively.

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by CODM internally. Accordingly, no segment assets and liabilities are presented.

Geographic information

During the year, the Group provided a majority of leasing services and financing and other services to customers mainly located in the PRC, Asia, United States and Europe.

The Group's assets, consisted of its property, plant and equipment, right-of-use assets, joint ventures, associates, financial instruments and others. The vessels (included in property, plant and equipment) are primarily utilised across geographical markets throughout the world. Accordingly, it is impractical to present the locations of the vessels by geographical areas and thus no analysis by geographical area is presented.

Revenue by business activities

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance lease income	432,277	658,781
Operating lease income	998,165	898,211
Interest income from loan borrowings	355,660	681,073
Commission income	75,463	56,332
	<u>1,861,565</u>	<u>2,294,397</u>

4 OTHER INCOME

Other income recognised during the years are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividend income	29,744	29,342
Interest income from		
– financial assets at fair value through profit or loss	19,575	3,495
– financial assets at fair value through other comprehensive income	25,207	25,499
– bank deposits	34,276	46,045
– Government subsidies	4,316	–
	<u>113,118</u>	<u>104,381</u>

5 FINANCE COSTS AND BANK CHARGES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest and charges on bonds	161,459	–
Interest and charges on borrowings	468,065	917,757
Interest on lease liabilities	821	107
Bank charges	5,564	1,537
	<u>635,909</u>	<u>919,401</u>
<i>Less: finance costs capitalised</i>	<u>(57,373)</u>	<u>(79,668)</u>
	<u>578,536</u>	<u>839,733</u>

6 PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting) the followings:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Depreciation on		
– property, plant and equipment	264,072	234,834
– right-of-use assets	8,797	3,466
Foreign exchange (gain)/loss, net	(42,588)	27,827
Employee benefits expenses	48,959	62,818
Net unrealised loss on changes in fair value of derivative financial instruments	48,374	38,587
Net realised loss from derivative financial instruments	6,913	9,784
Net realised gain on disposal of debt instruments at fair value through other comprehensive income	(6,141)	(5,219)
Net realised gain from financial assets at fair value through profit or loss	(7,343)	(21,346)
Net unrealised (gain)/loss on changes in fair value of financial assets at fair value through profit or loss	(28,582)	441
Net gain on disposal of asset held for sales	(19,615)	–
Net gain on disposal of property, plant and equipment	(109,269)	–
Net (gain)/loss on de-recognition of finance lease receivables	(13,653)	99,990
Auditor's remuneration		
– audit services	2,480	5,300
– non-audit services	2,474	2,049
	<u>2,474</u>	<u>2,049</u>

7 INCOME TAX EXPENSE

The Group mainly operates in Hong Kong, the PRC, British Virgin Islands and Marshall Islands.

Hong Kong profits tax is provided at 16.5% (2019: 16.5%) based on assessable profits arising in Hong Kong during the year ended 31 December 2020.

For the year ended 31 December 2020, the PRC corporate income tax is charged at the statutory rate of 25% (2019: 25%) of the assessable income as determined with the relevant tax rules and regulations of the PRC.

Income tax expense in the consolidated income statements represents:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong profits tax		
– current year	5,898	–
– under-provision in respect of prior years	<u>2,578</u>	<u>–</u>
	<u>8,476</u>	<u>–</u>
PRC corporate income tax		
– current year	<u>5,886</u>	<u>11,837</u>
Income tax expense	<u><u>14,362</u></u>	<u><u>11,837</u></u>

8 DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividend approved and paid:		
Interim dividend of HK3 cents (2019: HK3 cents) per ordinary share	184,082	184,082
Final dividend in respect of the year ended 31 December 2019 of HK5 cents per ordinary share	<u>306,803</u>	<u>—</u>
	<u>490,885</u>	<u>184,082</u>
Dividends proposed:		
Final dividend in respect of the year ended 31 December 2020 of HK6 cents (2019: HK5 cents) per ordinary share	<u>368,164</u>	<u>306,803</u>

At the board meeting held on 31 March 2021, the board has declared final dividend of HK6 cents (2019: HK5 cents) per share, and the final dividend is declared after reporting period, such dividend has not been recognised as liability as at 31 December 2020.

9 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

The basic and diluted earnings per share are the same since there are no potential dilutive shares.

	2020	2019
Profit attributable to equity holders of the Company (<i>in HK\$'000</i>)	<u>1,108,518</u>	<u>883,089</u>
Weighted average number of ordinary shares in issue ('000)	<u>6,136,066</u>	<u>5,434,200</u>
Basic earnings per share (<i>in HK\$</i>)	<u>0.181</u>	<u>0.163</u>

10 LOAN RECEIVABLES

As at 31 December 2020			
	Gross amount <i>HK\$'000</i>	Allowance for impairment losses <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Loan borrowings (<i>note a</i>)	7,486,207	(27,421)	7,458,786
Finance lease receivables (<i>note b</i>)	7,357,569	(476,040)	6,881,529
Loans to joint ventures (<i>note c</i>)	721,123	(104)	721,019
	15,564,899	(503,565)	15,061,334

As at 31 December 2019			
	Gross amount <i>HK\$'000</i>	Allowance for impairment losses <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Loan borrowings (<i>note a</i>)	7,847,210	(214,626)	7,632,584
Finance lease receivables (<i>note b</i>)	7,126,488	(312,476)	6,814,012
Loans to joint ventures (<i>note c</i>)	598,326	(120)	598,206
	15,572,024	(527,222)	15,044,802

(a) Loan borrowings

As at 31 December 2020, loan borrowings were secured, interest bearing at rates ranging from 3.6% to 8.0% (2019: 4.7% to 15.0%) per annum and repayable in 2021 to 2031 (2019: 2020 to 2026). The loan borrowings were secured by the respective vessels and certain shares of the borrowers, which owned the vessel.

A maturity profile of the loan borrowings, based on the maturity date, net of impairment losses, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 1 year	1,101,435	987,993
After 1 year but within 2 years	565,272	932,942
After 2 years but within 5 years	1,719,965	3,023,641
Over 5 years	4,072,114	2,688,008
	7,458,786	7,632,584

(b) Finance lease receivables

As at 31 December 2020, the Group's finance lease receivables were secured, interest bearing at rates ranging from 3.5% to 9.0% (2019: 4% to 10%) per annum. The table below analyses the Group's gross investment in finance leases by relevant maturity groupings as at 31 December 2020 and 2019:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Gross investment in finance leases		
– Within 1 year	2,356,399	1,525,107
– After 1 year but within 2 years	790,037	1,922,039
– After 2 years but within 5 years	2,435,181	2,593,238
– Over 5 years	3,092,006	2,310,737
	8,673,623	8,351,121
Less: unearned finance income	(1,316,054)	(1,224,633)
Net investments in leases	7,357,569	7,126,488
Less: accumulated allowance for impairment	(476,040)	(312,476)
Finance lease receivables – net	6,881,529	6,814,012

(c) Loans to joint ventures

As at 31 December 2020, except for loans to joint ventures of HK\$352,446,000 (2019: HK\$210,808,000) which were unsecured, interest bearing at rates ranging from 3.0% to 5.1% (2019: 4.89% to 5.63%) per annum, and repayable on demand, the remaining balances were unsecured, interest-free and repayable on demand.

11 ASSESSMENT OF 2020 COVID-19 IMPACT

After the outbreak of COVID-19 in early 2020, a series of precautionary and control measures have been and continued to be implemented across the countries/regions.

The Group will pay close attention to the development of the COVID-19 and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

Other than the event disclosed above, the Group had no material event after the reporting period.

12 OTHER INFORMATION

The consolidated financial statements of the Group for the year ended 31 December 2020 have been reviewed by the audit committee of the Company and audited by the Company's auditor, Grant Thornton Hong Kong Limited. An unqualified auditor's report will be included in the Annual Report to the shareholders. The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by PricewaterhouseCoopers.

The financial information relating to the years ended 31 December 2020 and 2019 included in this preliminary announcement of annual results for the year ended 31 December 2020 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company will deliver the consolidated financial statements for the year ended 31 December 2020 to the Registrar of Companies in due course.

The Company's auditors have reported on the consolidated financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

OTHER INFORMATION

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance in order to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance.

During the year ended 31 December 2020, the Company had complied with all applicable code provisions set out in the CG Code and adopted most of the recommended best practices.

Final Dividend

To share the fruitful results of the Group among all Shareholders, the Board recommends the payment of a final dividend of HK\$0.06 per share out of the distributable reserve of the Company for the year ended 31 December 2020. The date of closure of the register of members of the Company regarding the entitlement of final dividend will be announced in due course. The proposed final dividend is expected to be paid on or before 30 July 2021 following approval at the Company’s forthcoming annual general meeting.

ANNUAL GENERAL MEETING

The notice of the Company’s forthcoming annual general meeting will be published and dispatched to Shareholders in the manner specified in the Listing Rules in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities by Directors. Having made specific enquiry with the Directors, all Directors confirmed that they had complied with the standards set out in the Model Code during the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

REVIEW OF ANNUAL RESULTS

The Board has established an audit committee (the “**Audit Committee**”) which currently comprises three independent non-executive Directors, namely Mdm. Shing Mo Han Yvonne (chairperson), Mr. Wang Dennis and Mr. Li Hongji, and two non-executive Directors, namely Mr. Li Wei and Mr. Zou Yuanjing. The primary duties of the Audit Committee are to review the financial information of the Group and oversee the financial reporting system, risk management and internal control system of the Group.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the Company’s senior management and the Company’s external auditor, and has reviewed the annual results for the year ended 31 December 2020.

This annual results announcement is based on the draft consolidated financial statements of the Group for the year ended 31 December 2020, which have been agreed with the external auditor of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2020 has been published on the websites of the Company (<http://www.csscshipping.cn>) and HKExnews of the Stock Exchange (www.hkexnews.hk). The Company's 2020 annual report containing all the information as required by the Listing Rules will be dispatched to the Shareholders and published on the aforementioned websites in due course.

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

Hong Kong, 31 March 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 Mr. Wang Dennis, Mdm. Shing Mo Han Yvonne and Mr. Li Hongji as independent non-executive Directors.