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SITC International Holdings Company Limited

海豐國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1308)

DISCLOSEABLE TRANSACTION CONSTRUCTION OF SIX CONTAINER VESSELS

THE SHIPBUILDING CONTRACTS

The Board announces that on 30 August 2020, SITC Shipowning, a wholly-owned subsidiary of the Company, entered into the Shipbuilding Contracts with the Sellers pursuant to which the Sellers agreed to construct six container vessels for the Group for an aggregate consideration of US\$126 million (equivalent to approximately HK\$976.5 million).

The vessels to be constructed are all 1,800 TEU container vessels and will enable the Company to expand its self-owned fleet of container vessels.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the New Construction is more than 5% and all applicable percentage ratios are less than 25%, the New Construction constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

THE SHIPBUILDING CONTRACTS

Date: 30 August 2020

Parties to the Shipbuilding Contracts:

- (1) SITC Shipowning, a wholly-owned subsidiary of the Company;
- (2) Builder A;
- (3) Builder B; and
- (4) JSTC.

To the best knowledge of the Directors, having made all reasonable enquiries, the Sellers and each of their respective ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons.

Assets involved and delivery dates

First Shipbuilding Contract

Assets involved under the First Shipbuilding Contract

Pursuant to the First Shipbuilding Contract, the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the first vessel

Delivery of the first vessel under the First Shipbuilding Contract is expected to be made on or before 30 April 2022.

Second Shipbuilding Contract

Assets involved under the Second Shipbuilding Contract

Pursuant to the Second Shipbuilding Contract the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the second vessel

Delivery of the second vessel under the Second Shipbuilding Contract is expected to be made on or before 31 May 2022.

Third Shipbuilding Contract

Assets involved under the Third Shipbuilding Contract

Pursuant to the Third Shipbuilding Contract the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the third vessel

Delivery of the third vessel under the Third Shipbuilding Contract is expected to be made on or before 31 July 2022.

Fourth Shipbuilding Contract

Assets involved under the Fourth Shipbuilding Contract

Pursuant to the Fourth Shipbuilding Contract the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the fourth vessel

Delivery of the fourth vessel under the Fourth Shipbuilding Contract is expected to be made on or before 31 July 2022.

Fifth Shipbuilding Contract

Assets involved under the Fifth Shipbuilding Contract

Pursuant to the Fifth Shipbuilding Contract the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the fifth vessel

Delivery of the fifth vessel under the Fifth Shipbuilding Contract is expected to be made on or before 30 September 2022.

Sixth Shipbuilding Contract

Assets involved under the Sixth Shipbuilding Contract

Pursuant to the Sixth Shipbuilding Contract the Sellers will construct a 1800 TEU container vessel for the Group.

Delivery of the sixth vessel

Delivery of the sixth vessel under the Sixth Shipbuilding Contract is expected to be made on or before 31 October 2022.

Consideration

The aggregate consideration for the six vessels to be constructed under the Shipbuilding Contracts is US\$126 million (equivalent to approximately HK\$976.5 million) and was determined after arm's length negotiations between the parties with reference to the market prices for the construction of new vessels of similar size in the open market as determined by the Directors. The Directors, including the independent non-executive Directors, are of the view that the terms of the Shipbuilding Contracts were concluded after arm's length negotiations, under normal commercial terms, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Payment of the consideration will be in stages in accordance with progress of the construction of the respective vessel. It is expected that the consideration under the Shipbuilding Contracts will be satisfied by the Company by its internal resources and/or through external financing.

Options for six additional vessels

At the same time of the entering into of the Shipbuilding Contracts, SITC Shipowning and the Sellers have also entered into option contracts for six additional vessels which are exercisable at the discretion of SITC Shipowning. No premium would need to be paid by SITC Shipowning for entering into of the option contracts. For the options for the six additional vessels, the Company may exercise such options in three (3) separate tranches and for two (2) vessels at one time. The first tranche of option is exercisable within five(5) months upon the entering of the Shipbuilding Contracts, and the remaining two tranches are exercisable within five(5) months period upon the previous tranche of option is being exercised. The Company will comply with the requirements of the Listing Rules if the options are exercised or terminated.

REASONS FOR THE CONSTRUCTION

The Company is one of Asia's leading shipping logistics companies that provides integrated transportation and logistics solutions.

The New Construction will enable the Company to expand its self-owned fleet of container vessels to meet the increase in demand for the Company's services. Given that the aggregate consideration for the New Construction was determined based on arm's length negotiations by reference to the open market prices for the construction of vessels of similar size, the Directors (including the independent non-executive Directors) consider the terms of the New Construction were on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders are concerned, and the New Construction is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the New Construction is more than 5% and all applicable percentage ratios are less than 25%, the New Construction constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Builder A”	Jiangsu Yangzijiang Shipbuilding Co., Ltd., an independent shipbuilding company established in the PRC and is principally engaged in the business of shipbuilding. As at the date of this announcement, it is ultimately and beneficially owned by Yangzijiang Shipbuilding;
“Builder B”	Jiangsu New Yangzi Shipbuilding Co., Ltd., an independent shipbuilding company established in the PRC and is principally engaged in the business of shipbuilding. As at the date of this announcement, it is ultimately and beneficially owned by Yangzijiang Shipbuilding;
“Builders”	Builder A and Builder B;

“Company”	SITC International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Fifth Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2063);
“First Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2267);
“Fourth Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2062);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JSTC”	Jiangsu Tianchen Marine Import & Export Co., Ltd., a company established in the PRC and is principally engaged in the business of import and export of vessels. As at the date of this announcement, it is ultimately and beneficially owned by Yangzijiang Shipbuilding;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Construction”	the construction of six container vessels by the Company as contemplated under the Shipbuilding Contracts;
“PRC”	the People’s Republic of China and for the purpose this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC;
“Second Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2268);
“Six Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2064);
“Sellers”	JSTC and the Builders;
“Shareholder(s)”	shareholder(s) of the Company;
“Shipbuilding Contracts”	the First Shipbuilding Contract, the Second Shipbuilding Contract, the Third Shipbuilding Contract, the Fourth Shipbuilding Contract, the Fifth Shipbuilding Contract and the Sixth Shipbuilding Contract;
“SITC Shipowning”	SITC Shipowning Group Company Limited, a company incorporated in the British Virgin Islands, an investment holding company and a wholly-owned subsidiary of the Company as at the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Third Shipbuilding Contract”	the agreement dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of a 1800 TEU container vessel (Hull No. YZJ2015-2269);
“Yangzijiang Shipbuilding”	Yangzijiang Shipbuilding (Holdings) Ltd., a company listed on the Singapore Stock Exchange (SGX:BS6) and principally engaged in the provision of agency services for shipbuilding and related activities; and
“US Dollar” or “US\$”	United States dollar, the lawful currency of the United States of America.

Unless otherwise specified in this announcement, translations of US\$ into HK\$ are made in this announcement, for illustration only, at the rate of US\$1.00 to HK\$7.84. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at that rate or at any other rate or at all.

By Order of the Board
SITC International Holdings Company Limited
Yang Shaopeng
Chairman

The People’s Republic of China, Hong Kong, 31 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Yang Shaopeng, Mr. Yang Xianxiang, Mr. Liu Kecheng, Mr. Xue Peng, Mr. Xue Mingyuan and Mr. Lai Zhiyong; and the independent non-executive directors are Mr. Tsui Yung Kwok, Mr. Yeung Kwok On, Dr. Lo Wing Yan, William, JP and Dr. Ngai Wai Fung.