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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)

MAJOR TRANSACTION CONSTRUCTION OF SIX ADDITIONAL CONTAINER VESSELS

THE ADDITIONAL SHIPBUILDING CONTRACTS

Reference is made to the announcement of the Company dated 30 August 2020, pursuant to which, SITC Shipowning, a wholly-owned subsidiary of the Company, entered into the August Shipbuilding Contracts with the Sellers on 30 August 2020 for the construction of the six August Vessels for an aggregate consideration of US\$126 million (equivalent to approximately HK\$976.5 million). On the same date, SITC Shipowning and the Sellers also entered into the Option Contract under which the Sellers have granted to SITC Shipowning the Options, upon notification to the Sellers and exercisable at the discretion of SITC Shipowning, for the construction of six additional Option Vessels.

Reference is also made to the announcement of the Company on 30 November 2020, pursuant to which SITC Shipowning notified the Sellers on 30 November 2020 to exercise of its rights under the Options for construction of the two Option Vessels for an aggregate consideration of US\$42 million (equivalent to HK\$325.5 million). On the same date, SITC Shipowning entered into the November Shipbuilding Contracts with the Sellers pursuant to which the Sellers agreed to construct the five November Vessels for the Group for an aggregate consideration of US\$138 million (equivalent to approximately HK\$1,069.5 million).

On 19 December 2020, SITC Shipowning, a wholly-owned subsidiary of the Company, entered into the Additional Shipbuilding Contracts with the Sellers pursuant to which the Sellers agreed to construct six (6) Additional Vessels for the

Group for an aggregate consideration of US\$162 million (equivalent to approximately HK\$1,255.5 million). The Additional Vessels to be constructed consist of six 2,600 TEU container vessels and will enable the Company to expand its self-owned fleet of container vessels.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Additional Vessels to be constructed under the Additional Shipbuilding Contracts are of the same type and with the same Seller as for the Previous Transactions, the construction of the Additional Vessels under the Additional Shipbuilding Contracts would need to be aggregated with the Previous Transactions pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Additional Shipbuilding Contracts, when aggregated with the Previous Transactions, are more than 25% but less than 100%, the construction of the Additional Vessels under the Additional Shipbuilding Contracts constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and independent shareholders' approval requirements.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder has a material interest in the Additional Shipbuilding Contracts. As such, no Shareholder is required to abstain from voting for the resolution to approve the Additional Shipbuilding Contracts, should the entering of the Additional Shipbuilding Contracts be put forward to the Shareholders for approval at a general meeting. Accordingly, Resourceful Link, which is interested in an aggregate of 1,375,390,231 shares of the Company, representing approximately 51.29% of the issued share capital of the Company as at the date of this announcement, has approved the entering of the Additional Shipbuilding Contracts by a written shareholder 's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

GENERAL

A circular containing, among other things, (i) the Additional Shipbuilding Contracts and the transactions contemplated thereunder; and (ii) any other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders no later than 13 January 2021.

BACKGROUND

Reference is made to the announcement of the Company dated 30 August 2020, pursuant to which, SITC Shipowning, a wholly-owned subsidiary of the Company, entered into the August Shipbuilding Contracts with the Sellers on 30 August 2020 for the construction of the six August Vessels for an aggregate consideration of US\$126 million (equivalent to approximately HK\$976.5 million). On the same date, SITC Shipowning and the Sellers also entered into the Option Contract under which the Sellers have granted to SITC Shipowning the Options, upon notification to the Sellers and exercisable at the discretion of SITC Shipowning, for the construction of six additional Option Vessels.

Reference is also made to the announcement of the Company on 30 November 2020, pursuant to which SITC Shipowning notified the Sellers on 30 November 2020 to exercise of its rights under the Options for construction of the two Option Vessels for an aggregate consideration of US\$42 million (equivalent to HK\$325.5 million). On the same date, SITC Shipowning entered into the November Shipbuilding Contracts with the Sellers pursuant to which the Sellers agreed to construct the five November Vessels for the Group for an aggregate consideration of US\$138 million (equivalent to approximately HK\$1,069.5 million).

On 19 December 2020, SITC Shipowning, a wholly-owned subsidiary of the Company, entered into the Additional Shipbuilding Contracts with the Sellers pursuant to which the Sellers agreed to construct six (6) Additional Vessels for the Group for an aggregate consideration of US\$162 million (equivalent to approximately HK\$1,255.5 million). The Additional Vessels to be constructed consist of six 2,600 TEU container vessels and will enable the Company to expand its self-owned fleet of container vessels.

THE ADDITIONAL SHIPBUILDING CONTRACTS

The principal terms of the Additional Shipbuilding Contracts are as follows:

Date: 19 December 2020

Parties to the Additional 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 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the first vessel

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

Second Shipbuilding Contract

Assets involved under the Second Shipbuilding Contract

Pursuant to the Second Shipbuilding Contract, the Sellers will construct a 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the second vessel

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

Third Shipbuilding Contract

Assets involved under the Third Shipbuilding Contract

Pursuant to the Third Shipbuilding Contract, the Sellers will construct a 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the third vessel

Delivery of the third vessel under the Third Shipbuilding Contract is expected to be made on or before 30 November 2022.

Fourth Shipbuilding Contract

Assets involved under the Fourth Shipbuilding Contract

Pursuant to the Fourth Shipbuilding Contract, the Sellers will construct a 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the fourth vessel

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

Fifth Shipbuilding Contract

Assets involved under the fifth Shipbuilding Contract

Pursuant to the Fifth Shipbuilding Contract, the Sellers will construct a 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the fifth vessel

Delivery of the fifth vessel under the Fifth Shipbuilding Contract is expected to be made on or before 31 December 2022.

Sixth Shipbuilding Contract

Assets involved under the Sixth Shipbuilding Contract

Pursuant to the Sixth Shipbuilding Contract, the Sellers will construct a 2,600 TEU container vessel for the Group at a consideration of US\$27 million (equivalent to approximately HK\$209.25 million).

Delivery of the sixth vessel

Delivery of the sixth vessel under the Sixth Shipbuilding Contract is expected to be made on or before 31 January 2023.

Consideration

The aggregate consideration for the Additional Vessels to be constructed under the Additional Shipbuilding Contracts is US\$162 million (equivalent to approximately HK\$1,255.5 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 Additional Shipbuilding Contracts was 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 Additional Vessel. It is expected that the consideration under the Additional Shipbuilding Contracts will be satisfied by the Company by its internal resources and/or through external financing.

Options for four additional vessels

At the same time of the entering into of the Additional Shipbuilding Contracts, SITC Shipowning and the Sellers have also entered into option contracts for four 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 four additional vessels, the Company may exercise such options in two (2) separate tranches and for two (2) vessels at one time. The first tranche of option is exercisable on or before 30 August 2021, and the second tranche is exercisable on or before 30 November 2021. The Company will comply with the requirements of the Listing Rules if the options are exercised or terminated.

REASONS FOR THE CONSTRUCTION OF ADDITIONAL VESSELS UNDER THE ADDITIONAL SHIPBUILDING CONTRACTS

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

The construction of the Additional Vessels under the Additional Shipbuilding Contracts 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 construction of the Additional Vessels under the Additional Shipbuilding Contracts 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 Additional Shipbuilding Contracts were on normal commercial terms, are fair and reasonable so far as the company and the Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Additional Vessels to be constructed under the Additional Shipbuilding Contracts are of the same type and with the same Seller as for the six August Vessels under the August Shipbuilding Contracts, the two Option Vessels under the Option Contract and the five November Vessels under the November Shipbuilding Contracts (collectively, the "**Previous Transactions**"), the construction of the Additional Vessels under the Additional Shipbuilding Contracts would need to be aggregated with the Previous Transactions pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Additional Shipbuilding Contracts, when aggregated with the Previous Transactions, are more than 25% but less than 100%, the construction of the Additional Vessels under the Additional Shipbuilding Contracts constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and independent shareholders' approval requirements.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder has a material interest in the Additional Shipbuilding Contracts. As such, no Shareholder is required to abstain from voting for the resolution to approve the Additional Shipbuilding Contracts, should the entering of the Additional Shipbuilding Contracts be put forward to the Shareholders for approval at a general meeting. Accordingly, Resourceful Link, which is interested in an aggregate of 1,375,390,231 shares of the Company, representing approximately 51.29% of the issued share capital of the Company as at the date of this announcement, has approved the entering of the Additional

Shipbuilding Contracts by a written shareholder 's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

GENERAL

A circular containing, among other things, (i) the Additional Shipbuilding Contracts and the transactions contemplated thereunder; and (ii) any other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders no later than 13 January 2021.

DEFINITIONS

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

“Additional Vessels”	the additional vessels to be constructed under the Additional Shipbuilding Contracts;
“Additional Shipbuilding Contracts”	the First Shipbuilding Contract, the Second Shipbuilding Contract, the Third Shipbuilding Contract, the Fourth Shipbuilding Contract, the Fifth Shipping Contract and the Sixth Shipping Contract;
“August Vessels”	the six vessels to be constructed under the August Shipbuilding Contracts;
“August Shipbuilding Contracts”	the shipbuilding agreements dated 30 August 2020 entered into between the Company and the Sellers in relation to the construction of the August Vessels;
“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;
“First Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2033);
“Fifth Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2037);
“Fourth Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2036);
“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;
“November Vessels”	the additional vessels to be constructed under the November Shipbuilding Contracts;
“November Shipbuilding Contracts”	the shipbuilding agreements dated 30 November 2020 entered into between the Company and the Sellers in relation to the construction of the November Vessel;
“Options”	the option to commission the Builders to construct up to six (6) additional Option Vessels;
“Option Contract”	the contract dated 30 August 2020 ending SITC Shipowning and the Sellers in relation to the Option(s);
“Option Vessels”	the additional option vessels which are to be built and delivered by the Builder under the Option Contract;
“PRC”	the People’s Republic of China;
“Second Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2034);
“Sellers”	JSTC and the Builders;

“Shareholder(s)”	shareholder(s) of the Company;
“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;
“Sixth Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2038);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet;
“Third Shipbuilding Contract”	the agreement dated 19 December 2020 entered into between the Company and the Sellers in relation to the construction of a 2,600 TEU container vessel (Hull No. YZJ2015-2035);
“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\$7.80. 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

Hong Kong, 21 December 2020

As at the date of this announcement, the executive Directors 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 Dr. Liu Ka Ying, Rebecca, Mr. Yeung Kwok On, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy).