



SITC International Holdings Company Limited

(Stock Code: HK1308)

March 2021



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1 2020 Highlights

2 Operational Review

3 Financial Overview

4 Company Overview



1. 2020 Highlights



2020 Highlights



We continued to perform well in 2020 and recorded a net profit of US\$353.7 million, which represented a YoY increase of 59.7%.

	2020	2019	Variance
Container shipping volume (TEU)	2,614,203	2,483,278	5.3%
Revenue (US\$ m)	1,685.2	1,553.7	8.5%
Gross profit (US\$ m)	445.0	298.2	49.3%
Net profit (US\$ m)	353.7	221.5	59.7%
Earnings per share – basic (US cents per share)	13.22	8.29	59.5%

Development of the Company in 2020



★ Business development :

- Continued to expand the intra-Asia routes and commenced new service at port of Rizhao, Singapore, QuiNhon, Kuantan and Chittagong. SITC launches Southeast Asia - Qingdao Express service and Tianjin-Hochiming-Bintulu-Quy Nhon service
- Add 6 new container vessels and 2 second-hand vessel to own fleet
- SITC Logistics Indonesia Jakarta Depot was established
- SITC launches Qinghai International Intermodal train with Railway Containers for overseas Business via West-Bound Passage

★ Accolades:

- On the 17th China Freight Industry Awards Ceremony , SITC won seven awards, including "Leading enterprise of port and shipping logistics industry in " anti epidemic situation ", " Top 10 container liner companies in comprehensive service "and" Best innovative enterprise in multimodal transport service "
- SITC Shipping Management(Shanghai)Co.,Ltd. was awarded the best ship management company of Pudong ShangHai area, and awarded "Outstanding Performance Award" by the Hong Kong Maritime Department

★ Community and Employee Responsibility :

- Actively fulfill social responsibilities and open up green channels for the transportation of anti-epidemic materials in various countries and regions.
- Actively responded to the epidemic situation, completed the unified procurement of Chinese patent medicines, and distributed them to all companies and ships
- “Help Each Other To Fight The Epidemic”—SITC Donate RMB One Million to Wuhan Charity Federation. And donated RMB 2 million to Shanghai Maritime University for the construction of SITC International Exchange Center and other educational funding projects.
- SITC and Shanghai Immigration Inspection Station of National Immigration Administration jointly came to Sanjiang County of Guangxi Province to carry out a series of poverty alleviation and assistance activities themed with "Employment +".
- The company attaches great importance to the construction of clean government and organizes online training for all employees on corruption prevention and integrity

★ IT :

- Improve the business system and increase the transfer management function
- Joint venture to establish a logistics AI technology service company
- Upgraded HR system and developed a training management system



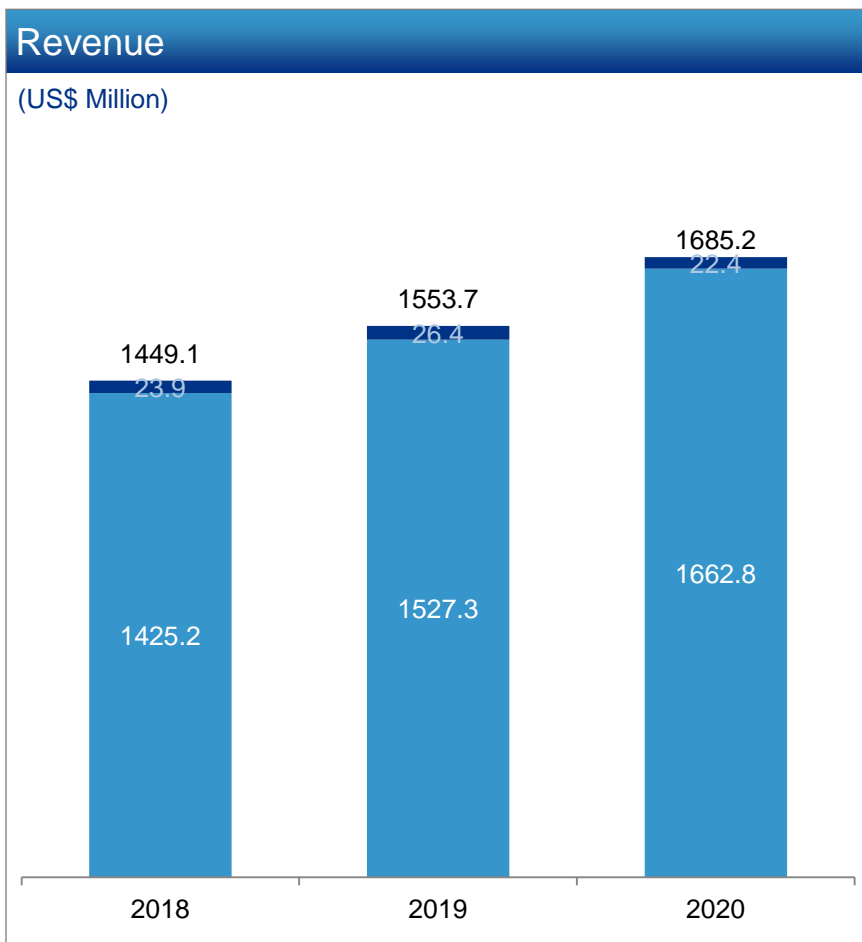
2. Operational Review



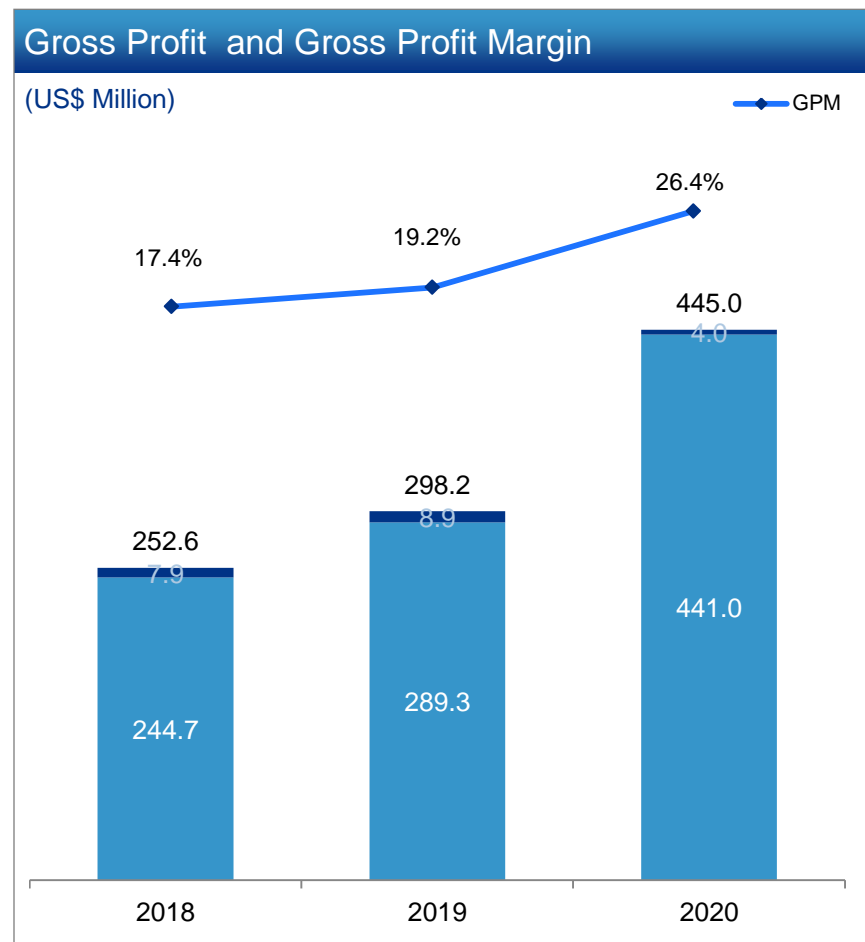
Segment Review



Our revenue increased by 8.5% in 2020 compared to 2019, and gross profit margin increased from 19.2% in 2019 to 26.4% in 2020.



■ Container shipping and logistics ■ Dry bulk and others



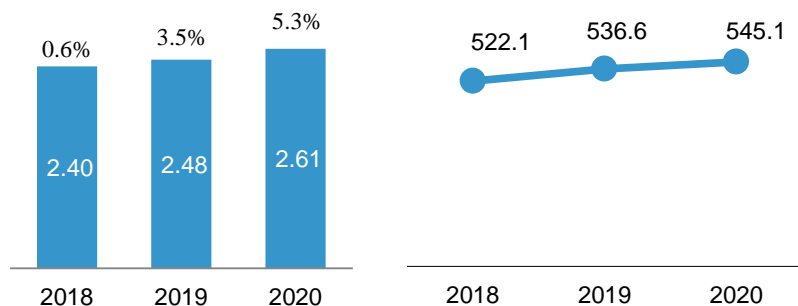
Container Shipping and Logistics: Overview



Container Shipping Volume and Avg. Freight Rate

Container Shipping Vol.
(TEU Million)

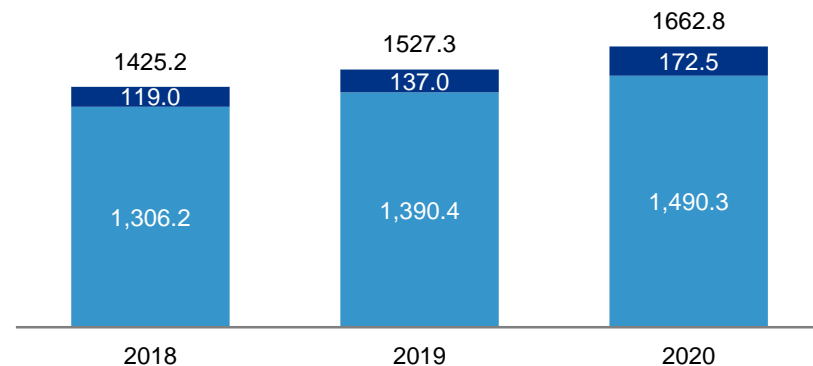
Average Freight Rate
(US\$/TEU)



Revenue

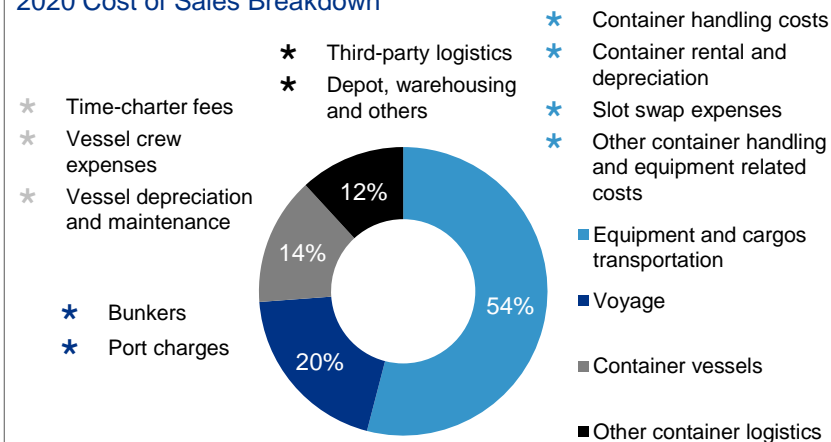
(US\$ Million)

- Other container shipping logistics
- Container shipping and supporting logistics



Cost of Sales Breakdown

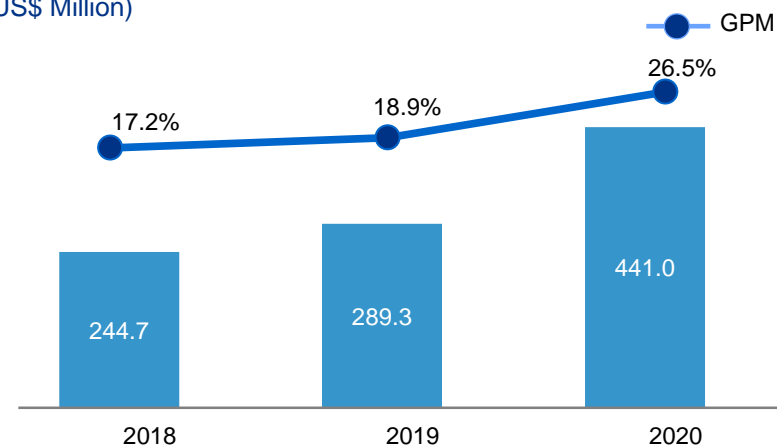
2020 Cost of Sales Breakdown



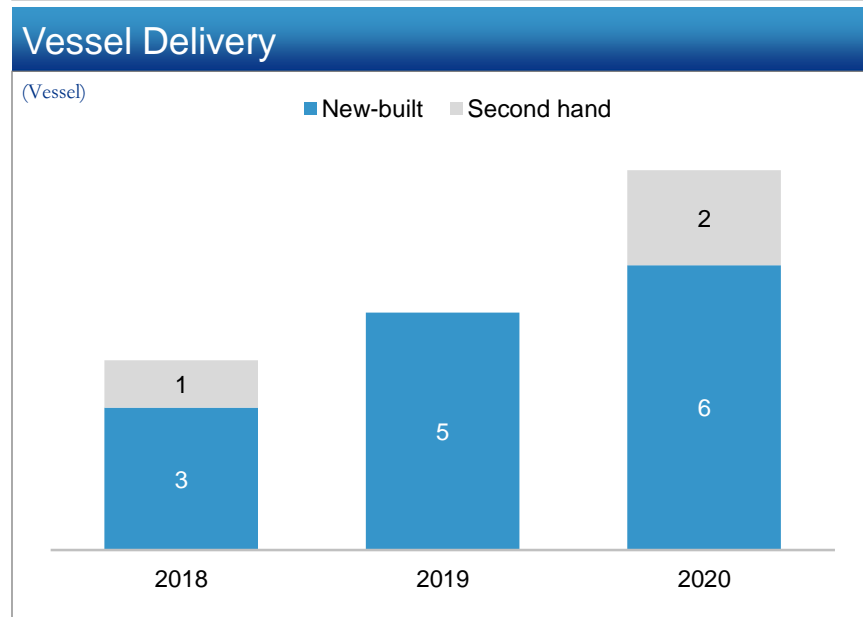
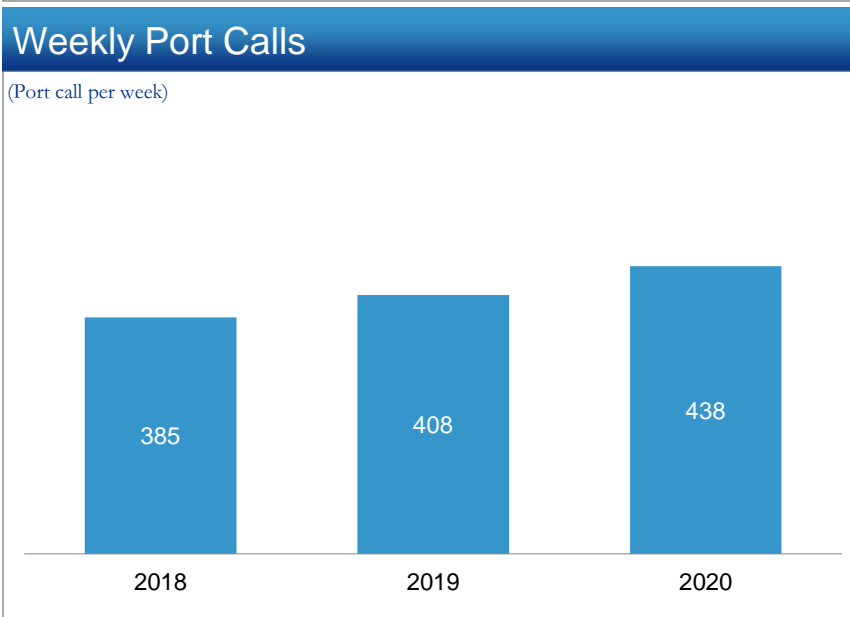
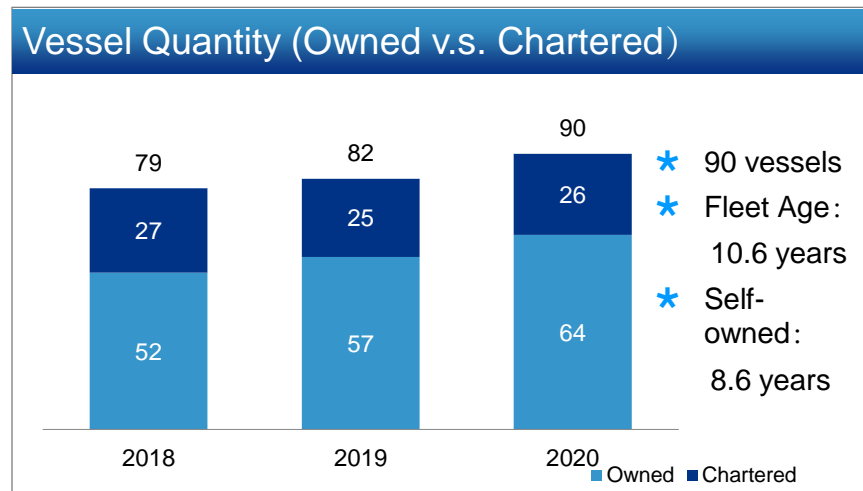
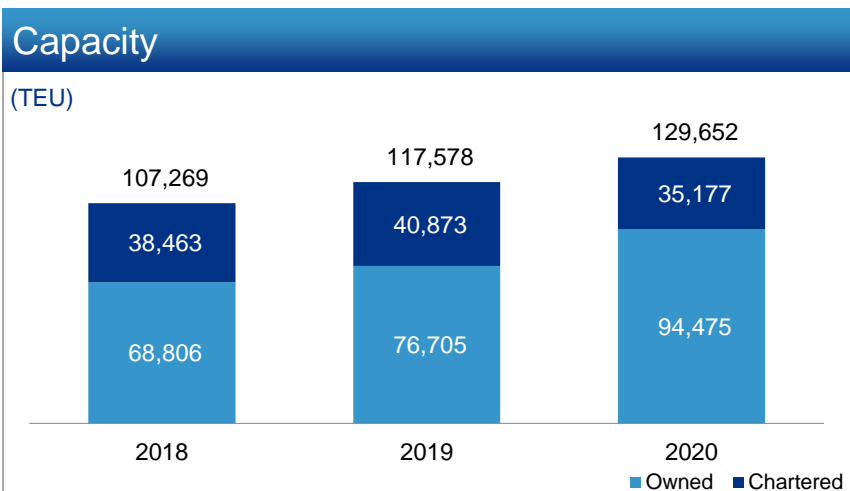
Note: (1) Excluded slot exchange fee income. The freight income tax has been adjusted.

Gross Profit and Gross Profit Margin

(US\$ Million)



Container Shipping and Logistics: Fleet

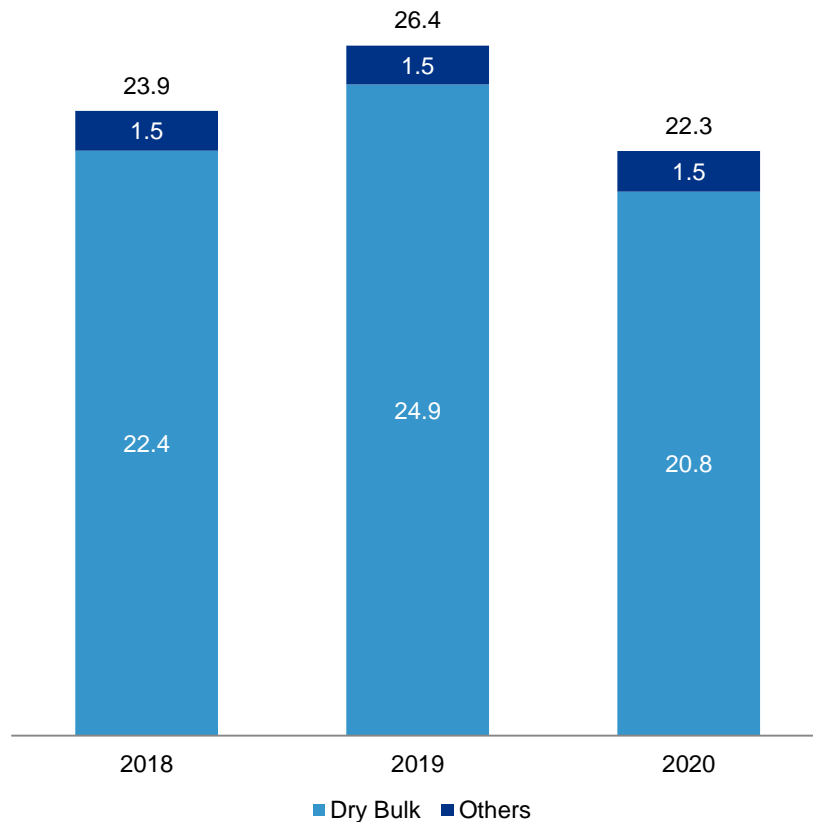


Dry Bulk and Others: Overview



Revenue

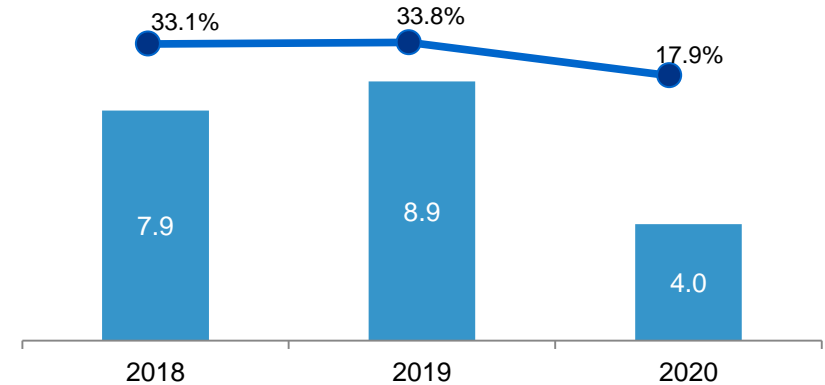
(US\$ Million)



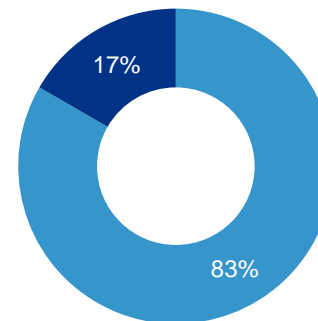
Gross Profit and Gross Profit Margin

(US\$ Million)

● GPM



Dry Bulk Vessels



- * 6 dry bulk vessels with 438,595 Dwt
- * Average Age: 8.1 years
- * Supermax: 1 vessel with 58,107 Dwt
- * Panamax: 5 vessels with 380,488Dwt in total



3. Financial Overview

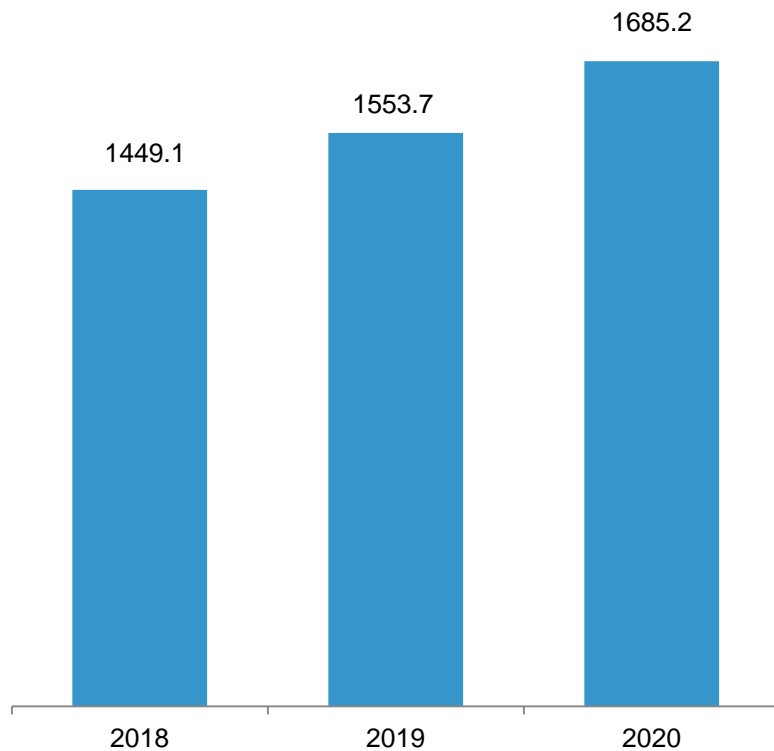


Profitability Analysis



Revenue

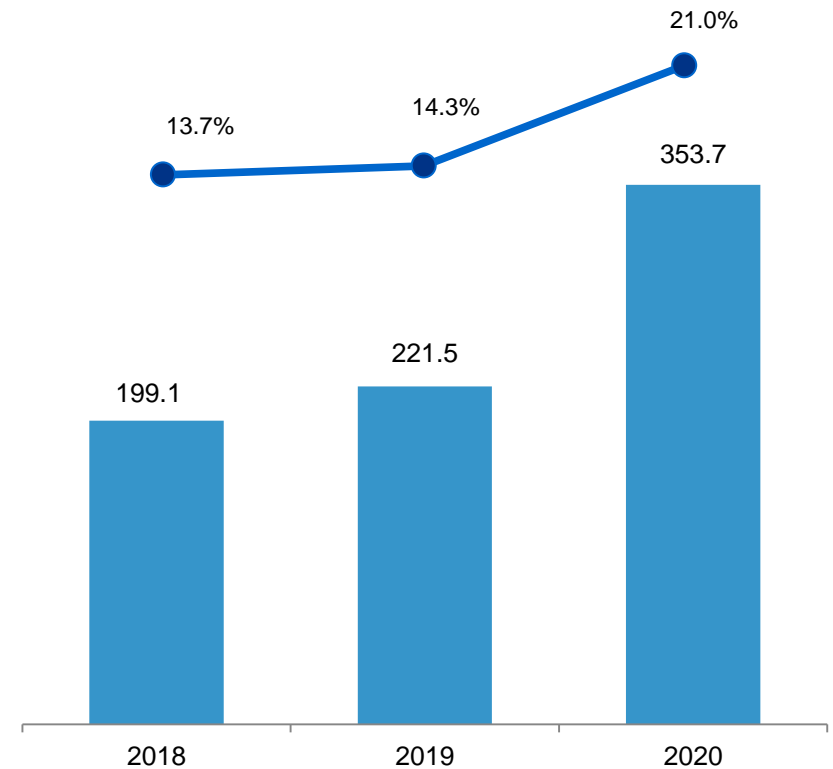
(US\$ million)



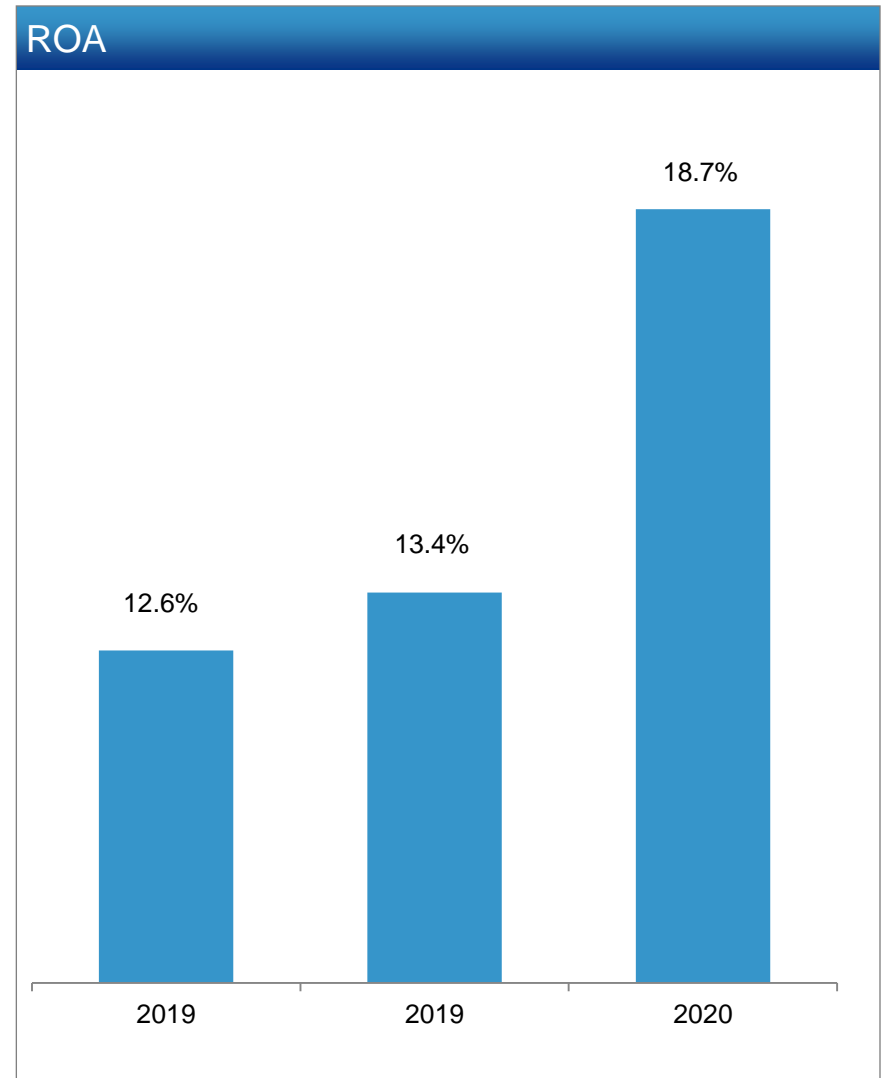
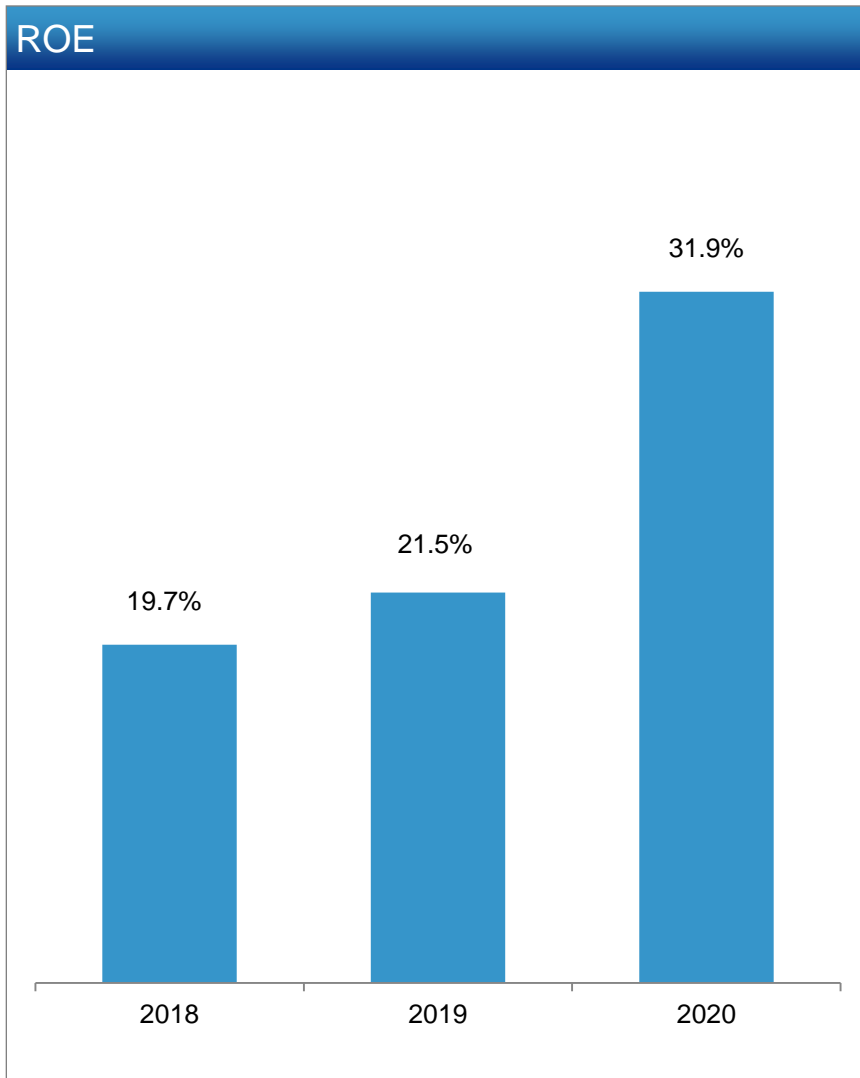
Net Profit and Net Profit Margin

(US\$ million)

● NPM



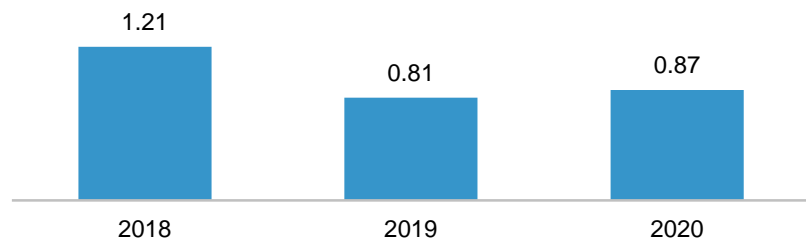
Return Analysis





Interest-Bearing Bank Borrowings⁽¹⁾ / EBITDA⁽¹⁾

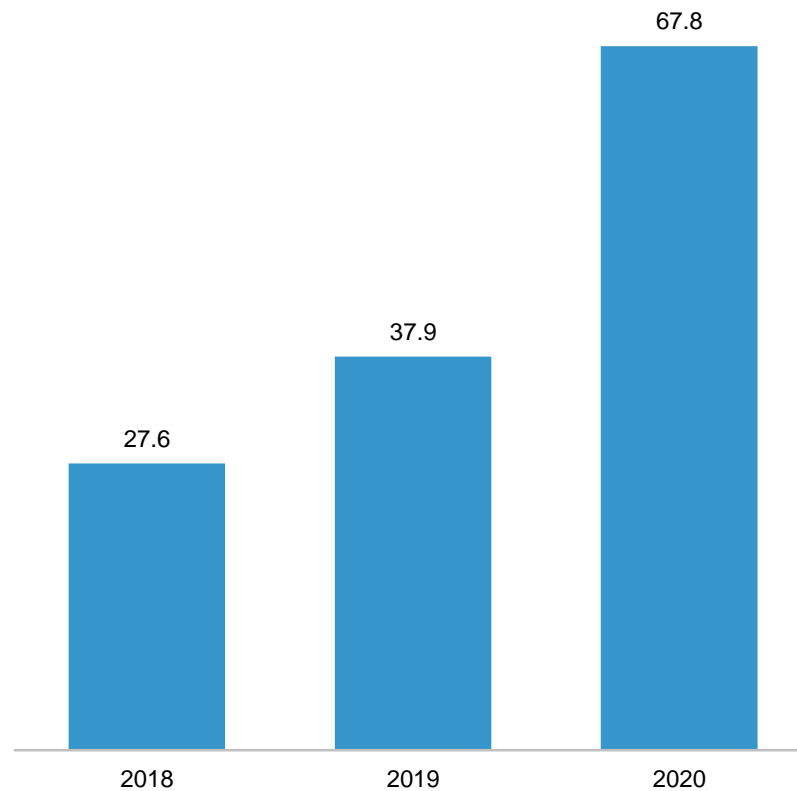
(x)



Interest Coverage⁽¹⁾

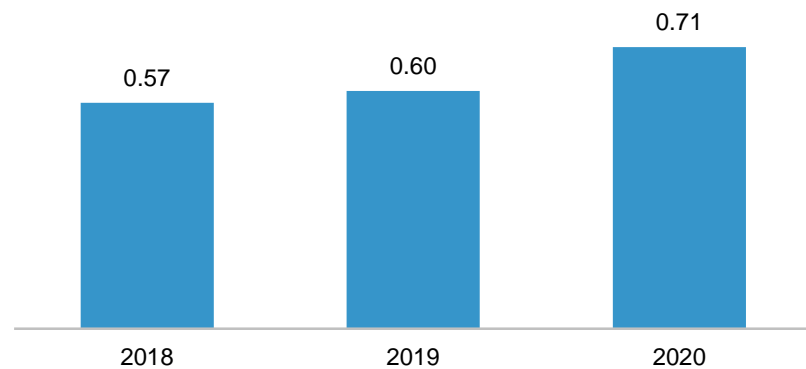
EBITDA / Interest Expense

(x)



Total Liabilities / Shareholders' Equity⁽¹⁾

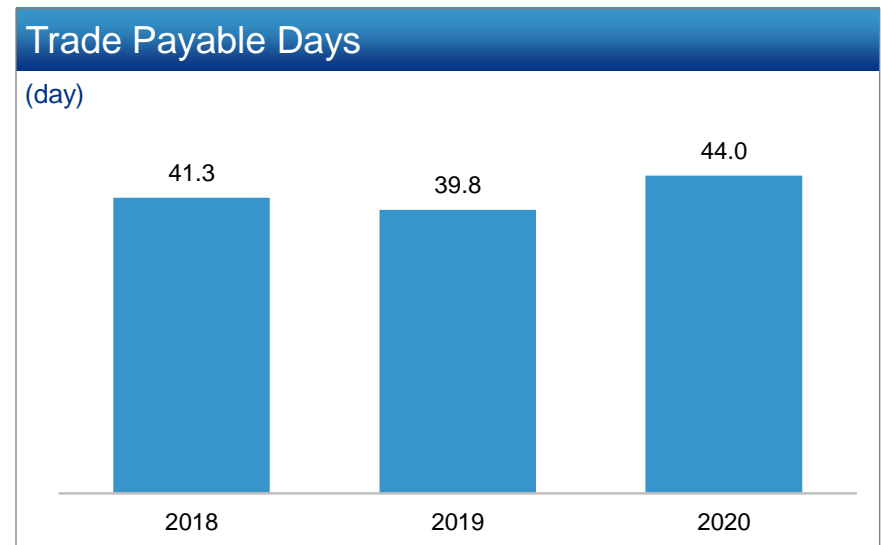
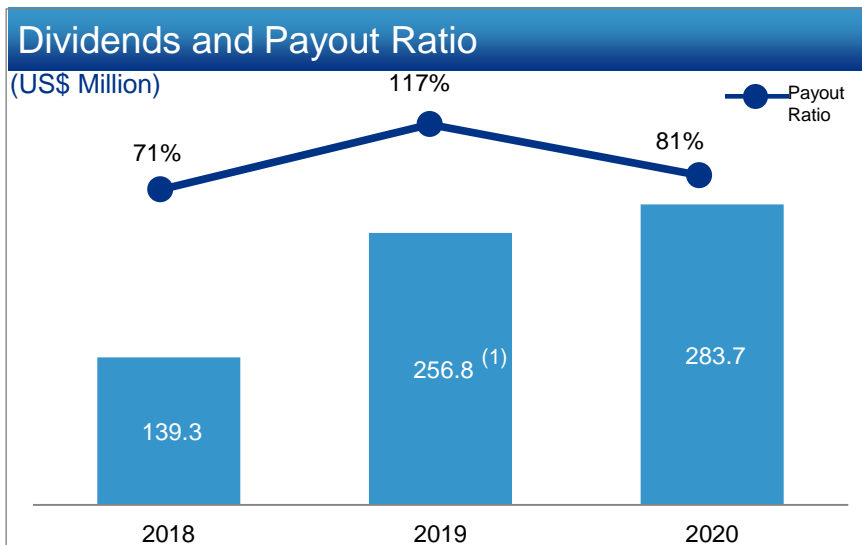
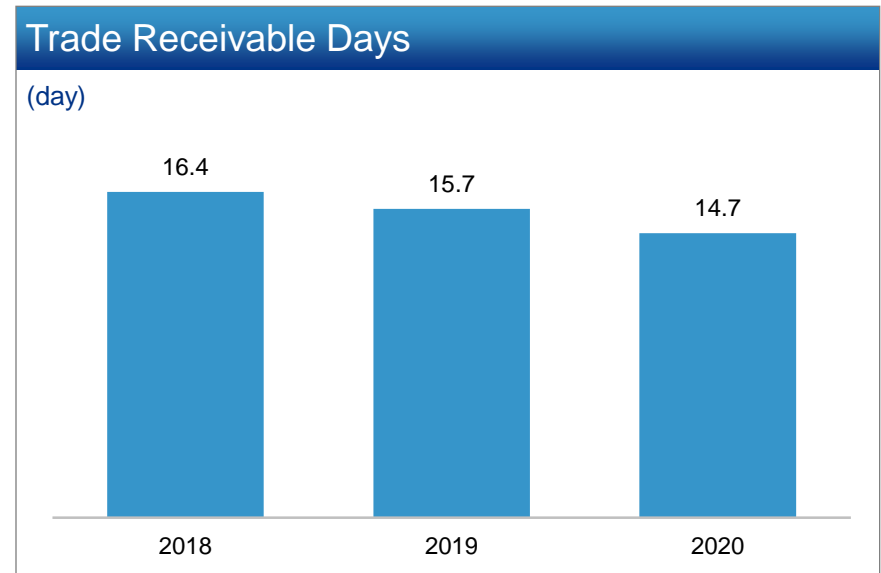
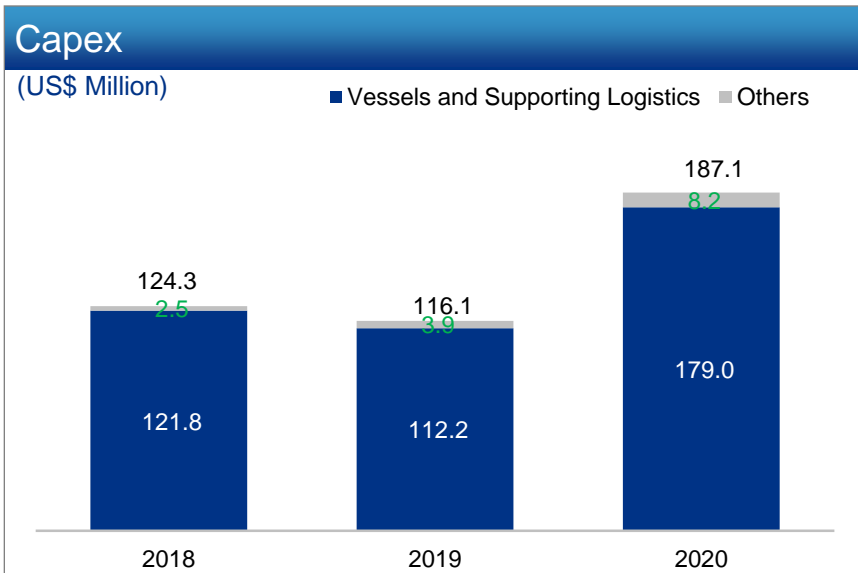
(x)



Note:

(1) Extracted/calculated based on the financial statements of the relevant periods

Cash Flow Overview



Note: (1) including special dividend of US \$102.6 million, accounting for 40% of the total. The payout ratio excluding special dividends is 70%

Income Statement Summary



US\$'000	2020	2019	Variance
Revenue	1,685,167	1,553,718	8.5%
Cost of Sales	(1,240,136)	(1,255,566)	(1.2%)
Gross Profit	445,031	298,152	49.3%
Other Income and Gains,net	22,911	22,406	2.3%
Administrative Expenses	(96,970)	(80,246)	20.8%
Other Expenses,net	(2,452)	(4,344)	(43.6%)
Finance Costs	(13,531)	(14,482)	(6.6%)
Share of Profits and Losses of Associates and Joint Ventures	10,008	9,027	10.9%
Profit Before Tax	364,997	230,513	58.3%
Income Tax	(11,309)	(8,998)	25.7%
Profit For The Year	353,688	221,515	59.7%

Balance Sheet Summary



US\$'000	31 Dec 2020	31 Dec 2019	Variance
Cash and cash equivalents	535,558	406,773	31.7%
Trade receivables	103,922	70,551	47.3%
Property, plant, equipment & their prepayments	1,139,510	1,019,911	11.7%
Right of use asset	169,557	164,308	3.2%
Investment in JV and Associates	46,409	44,170	5.1%
Other assets	45,883	43,831	4.7%
Total assets	2,040,839	1,749,544	16.6%
Trade payables	173,039	137,862	25.5%
Interest-bearing bank borrowings	428,893	282,012	52.1%
Lease liability	152,619	145,560	4.8%
Other liabilities	90,900	164,540	(44.8%)
Equity attributable to owners of the parents	1,184,487	1,010,243	17.2%
Non-controlling interests	10,901	9,327	16.9%
Total liabilities and equity	2,040,839	1,749,544	16.6%



4. Company Overview



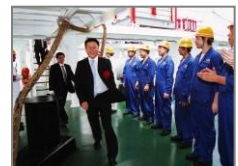
Our Corporate Milestones



SITC gained its **leading market position** within a short period of 30 years since its establishment in 1991.



- 2020** * Marched in Bangladesh Market
- 2018** * Rated A by MSCI-ESG
- 2015** * Entered the Fortune 500 of China
- 2014** * Marched in Malaysia and Singapore Market
- 2012** * Marched in Indonesia Market
- 2011** * Marched in Cambodia market, the first Chinese shipping operator calling Sihanouk
- 2010** * Successfully listed on the Hong Kong Stock Exchange in October 2010
- 2009** * Became market leader for PRC-Vietnam and PRC-Philippines routes
- 2008** * Became market leader among PRC-Japan route
- 2004** * Expanded into ASEAN Market
- 2001** * Reformed to be a company hold by Management and staff.
 - * Purchased first vessel and started serving PRC-Japan trade lanes
 - * Began our depot and warehousing services
- 1991** * SITC Corp was established to operate freight forwarding business



Our Business



We are a leading Intra-Asia shipping logistics company ,providing integrated transportation and logistics solutions



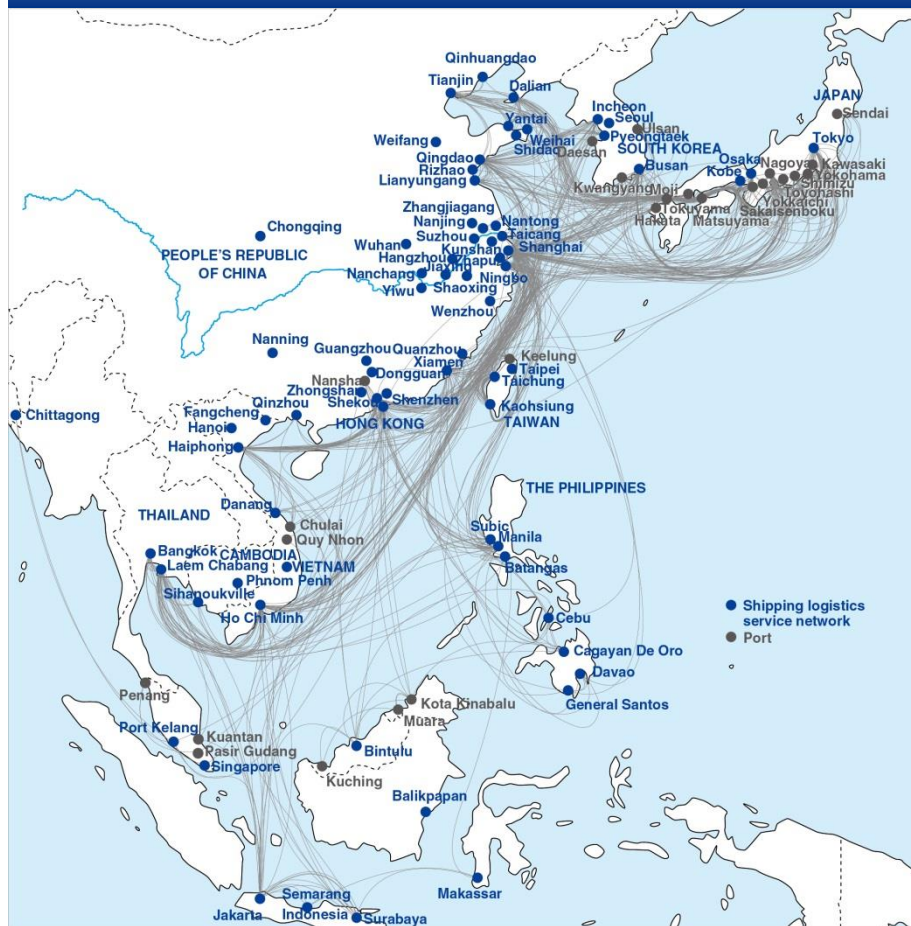
Source: (1) Drewry
(2) As of 31 Dec 2020, Alphaliner

Container Shipping and Logistics: Network



Our **high-frequency, high-density** business model and constantly expanding logistics network effectively meet our customer's needs and positions us well to benefit from intra-Asia trade and volume growth

Our Shipping and Logistics Network



* High Density

- Own one of the highest density networks in Asia
- Trade routes and composite logistics network cover 15 countries and regions, 76 major ports and 72 trade routes
- Operate, including joint ventures, approximately 1,194,000 m² of depot and 74,000 m² of warehousing space
- Wide range of scheduling options for customers

* High Frequency

- Own one of the highest service frequencies in Asia
- 438 port calls per week
- Higher flexibility in scheduling for customers

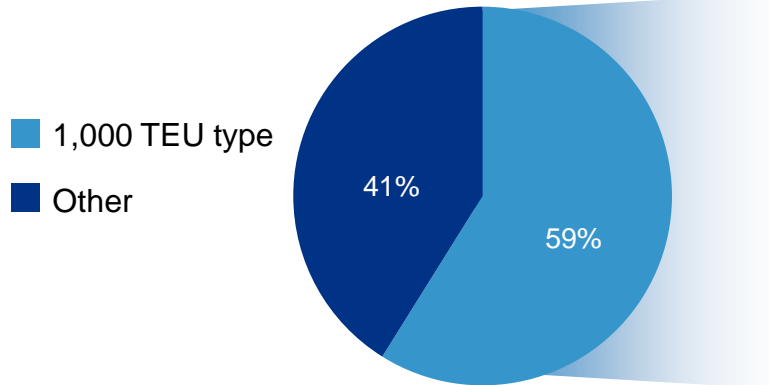
Note: As of 31 Dec 2020

Single-Typed, Flexible Fleet Drives Our Network Driven Model



Focusing on small vessels improves our flexibility and lowers the vessel costs, which is fundamental to our network driven model.

53 of 90 Vessels are 1,000 TEU Type

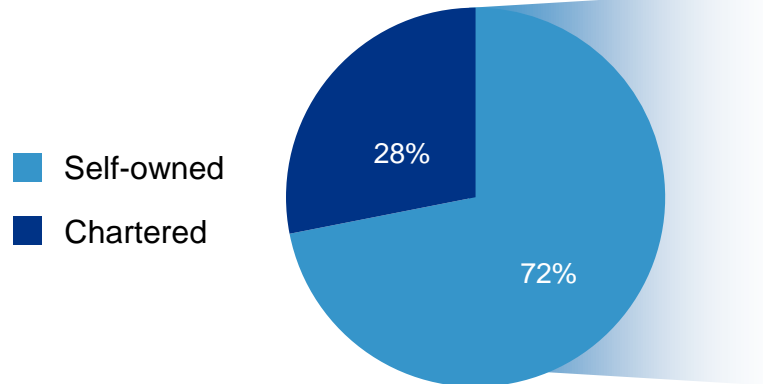


- * Small vessel best suits our business model in terms of space utilization, operating efficiency and speed

- * Uniformed fleet tailored for regional markets provides higher flexibility in allocating vessels along different routes

- * Lower operating cost from lower port charges and lower maintenance cost as a result of fleet standardization

64 of 90 Vessels are self-owned



- * Young fleet with average age of 10.6 years. Younger vessels are more efficient, technologically advanced and enjoy lower maintenance cost

- * Highly flexible fleet with some proportion of chartered vessels enables us to adjust fleet size in responding to rapid changing market.

- * Self owned vessels purchased at relatively low cost which provide us sustainable long term cost advantage.



1 Business Model

- * Mainly focus on the Asia market and provide our clients with high efficiency and high quality logistic service, to become the preferred choice for clients

2 Pattern of Development

- * On the basis of self-operation and asset-light model, establishing logistic channels and facilities with an integration of sea and land
- * Constantly improving high-frequency, high-density sea liner network, and providing tailor-made logistic service to clients

3 Diversified Competition

- * We provide focused, high quality, unique and innovative solutions

4 Focuses on the Solutions

- * Mobile Internet, digital and artificial intelligence applications, and the corresponding organizational changes