

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 EXERCISE OF OPTIONS FOR THE CONSTRUCTION OF TWO CONTAINER VESSELS

THE OPTION CONTRACTS

On 18 June 2021, SITC Shipowning notified the Builder on the exercise of the Options for the construction of two Option Vessels at an aggregate contract price of US\$38,400,000 (equivalent to HK\$297,984,000).

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of new construction under the Option Contracts, as aggregated with the construction pursuant to the Shipbuilding Contracts, are more than 5% but less than 25%, the exercise of the Options for the construction of the two Option Vessels constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

On 27 May 2021, SITC Shipowning and the Builder entered into the Shipbuilding Contracts for the construction of eight container vessels. On the same date, SITC Shipowning and the Builder also entered into the Option Contracts under which the Builder has granted to SITC Shipowning the Options, upon notification to the Builder and exercisable at the discretion of SITC Shipowning, for the construction of two additional Option Vessels.

On 18 June 2021, SITC Shipowning notified the Builder on the exercise of the Options for the construction of two Option Vessels at an aggregate contract price of US\$38,400,000 (equivalent to HK\$297,984,000).

The principal terms of the Option Contracts are as follows:

THE OPTION CONTRACTS

Effective Date: 18 June 2021

Parties to the Option Contracts:

- (1) SITC Shipowning, a wholly-owned subsidiary of the Company; and
- (2) the Builder.

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

Assets involved and Delivery Dates

Option Vessels to be constructed under the Option Contracts

The Builder will construct two 1,023 TEU container vessel under the Option Contracts for the Group.

Delivery

Delivery of the two Option Vessels under the Option Contracts is expected to be made on or before 29 February 2024 and 30 April 2024, respectively.

Contract price

The contract price for each of the Option Vessel is US\$19,200,000 (equivalent to HK\$148,992,000) and the aggregate contract price for the two Option Vessels to be constructed under the Option Contracts is US\$38,400,000 (equivalent to HK\$297,984,000). The contract price 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 Option Contracts and the exercise of the Options as

contemplated thereunder 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 five (5) installments in accordance with progress of the construction of the respective Option Vessel. The first instalment, representing 10% of the consideration, will be payable upon entering of the respective Option Contract and within five (5) business days after receipt from SITC Shipowning a refund guarantee as security for refund of installments payable to the Builder prior to the delivery of the respective vessel. The second instalment, representing 10% of the consideration, will be payable upon the commencement of steel cutting of the respective Option Vessel. The third instalment, representing 10% of the consideration, will be payable upon the keel laying respective Option Vessel. The fourth instalment, representing 10% of the consideration, will be payable upon launching of the respective Option Vessel. The fifth instalment, representing the remaining 60% of the consideration, will be payable upon the physical delivery of the respective Option Vessel.

The contract price for the construction of the two Option Vessels will be satisfied by the internal resources of the Group and/or through external financing.

REASONS FOR EXERCISING THE OPTIONS

The Company is a leading shipping logistics company in Asia that provides integrated transportation and logistics solutions.

The exercise of the Options is to expand the self-owned fleet of container vessels of the Group to meet the Group's operational requirements. Given that the contract price for the two Option Vessels to be constructed under the Option Contracts was determined after arm's length negotiations between the parties and 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 Option Contracts and the exercise of the Options as contemplated thereunder 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.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of new construction under the Option Contracts, as aggregated with the construction pursuant to the Shipbuilding Contracts, are more than 5% but less than 25%, the exercise of the Options for the construction of the two Option Vessels 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”	Dae Sun Shipbuilding & Engineering Co., Ltd., an independent shipbuilding company incorporated in the Republic of Korea and is principally engaged in the business of shipbuilding. As at the date of this announcement, it is ultimately and beneficially owned by Dongil Steel Co., Ltd., a company the shares of which are listed on the Korea Exchange;
“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;
“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;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Options”	the option to commission the Builder to construct two additional Option Vessels;
“Option Contracts”	two contracts dated 27 May 2021 entered into between SITC Shipowning and the Builder in relation to the option to construct the Option Vessels;
“Option Vessels”	the two additional option vessels which are to be built and delivered by the Builder under the Option Contracts;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	shareholder(s) of the Company;
“Shipbuilding Contracts”	the eight shipbuilding agreements dated 27 May 2021 entered into between SITC Shipowning and the Builder in relation to the construction of eight container vessels;
“SITC Shipowning”	SITC Shipowning Group Company Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company as at the date of this announcement;
“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;
“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\$7.76. 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, 18 June 2021

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 Mingyuan and Mr. Lai Zhiyong; the non-executive Director is Ms. Yang Xin; and the independent non-executive Directors are Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy).