



SITC International Holdings Company Limited

(Stock Code: HK1308)

August 2021



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1 1H2021 Highlights

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1. 1H2021 Highlights



1H2021 Highlights



We continued to perform well in 1H2021 and recorded a net profit of US\$487.9 million, which represented a YoY increase of 307.9%.

	1H2021	1H2020	Variance
Container shipping volume (TEU)	1,491,433	1,152,242	29.4%
Revenue (US\$ m)	1,334.2	742.9	79.6%
Gross profit (US\$ m)	557.2	158.5	251.5%
Net profit (US\$ m)	487.9	119.6	307.9%
Earnings per share – basic (US cents per share)	18.24	4.46	309.0%

Development of the Company in 1H2021



* Business development :

- Continued to expand the intra-Asia routes ,three new self-operated routes were added in the first half of the year
- One newly built container vessel and one second-hand container vessel are added to own fleet
- 18 new container vessel orders have been added, and 37 new vessel orders are now held
- SITC Logistics Xiamen and SITC Logistics Indonesia Surabaya Depot were established
- First "Zero-Tariff" Imported Container Carrier of Hainan Free Trade Port MV.HAI FENG HAI KOU comes into service
- The sea-rail container for Vietnam -- Guangzhou – Europe via “Silk Road on land and sea” cooperated by SITC—China Railway—Guangzhou Port Group was launched for the first time

* IT:

- The company organizes digital training to bring digitization into the company's operation and management
- Promote the blockchain paperless order exchange business

* Community and Employee Responsibility:

- All employees of the company carry out corporate culture training
- The company carries out management skill training
- The company purchases and stores anti epidemic chinese medicine for overseas companies and personnel on board
- The first female crew of SITC work on board
- SITC Poverty Alleviation aid Longfen primary school comprehensive teaching building project broke ground in Sanjiang County, Liuzhou City, Guangxi, China
- SITC International Academic Exchange Center was successfully established in Shanghai Maritime University.

* Accolades:

- SITC Garners Six Rankings for the First Time in “2021 All-Asia Executive Team” by Institutional Investor, the best CEO, the best CFO, the best ESG, and the best investor relations all ranked second in the Mainland China sector.



2. Operational Review



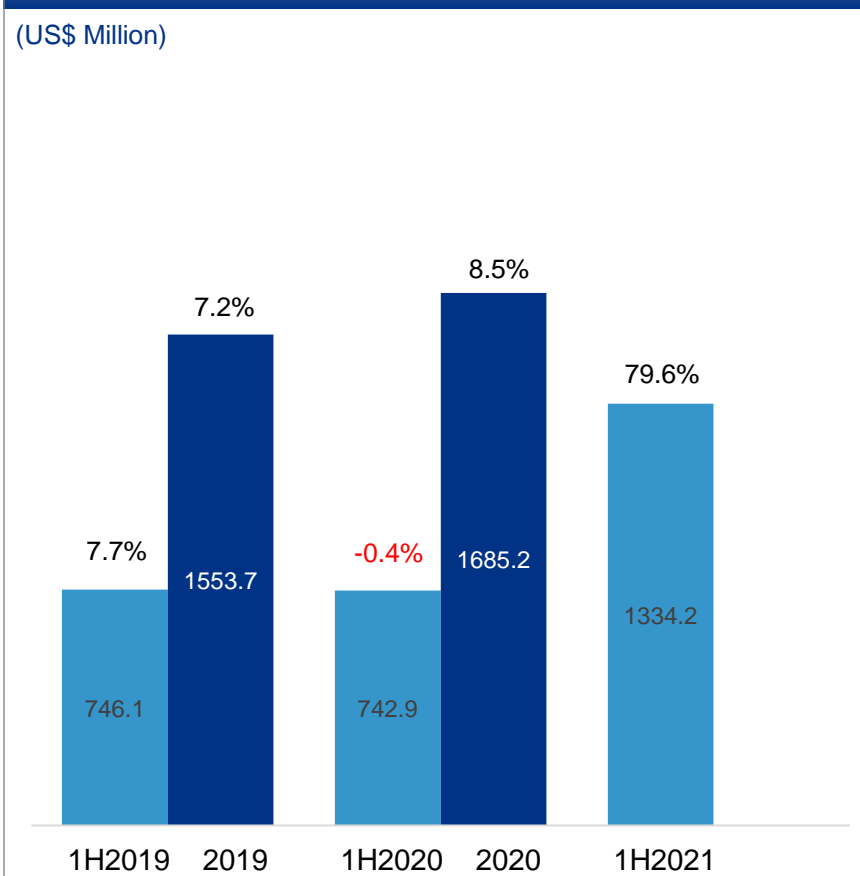
Segment Review



Our revenue increased by 79.6% in 1H2021 compared to 1H2020, gross profit margin climbed from 21.3% in 1H2020 to 41.8% in 1H2021.

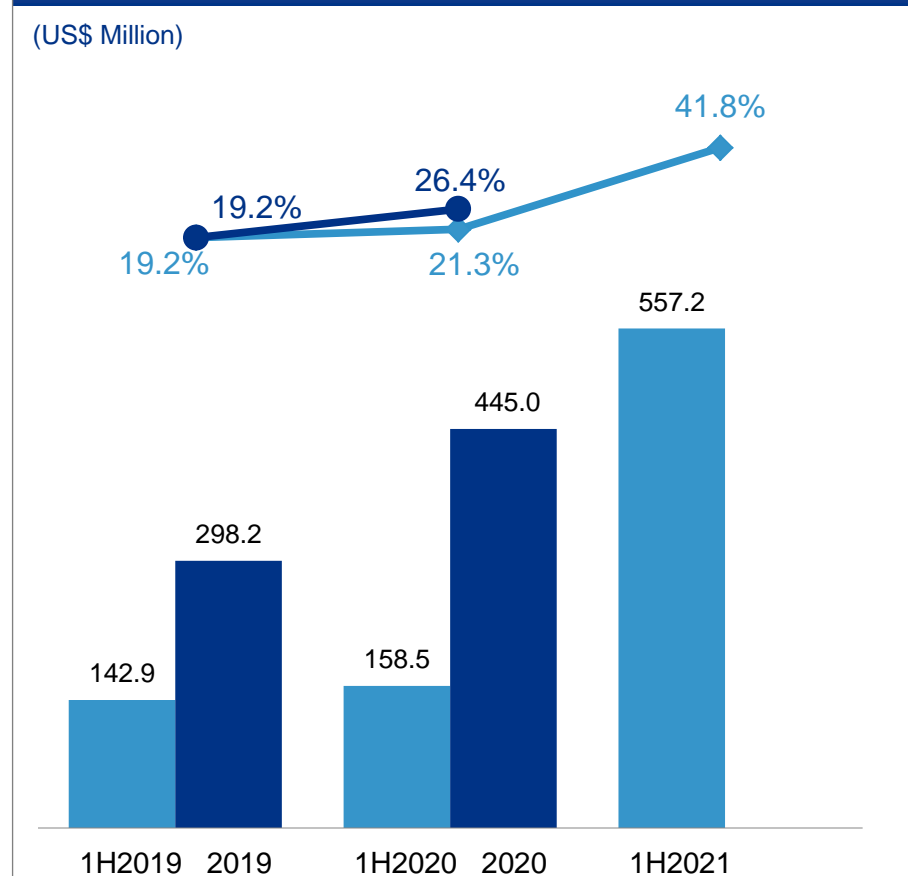
Revenue and Year-on-year growth rate

(US\$ Million)



Gross Profit and Gross Profit Margin

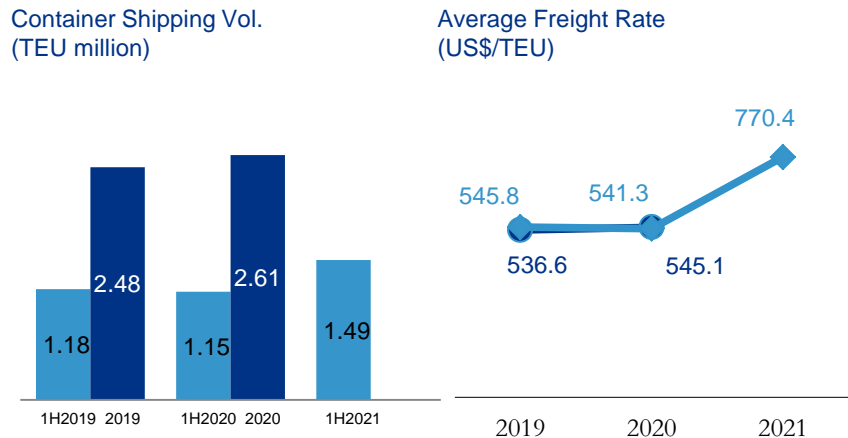
(US\$ Million)



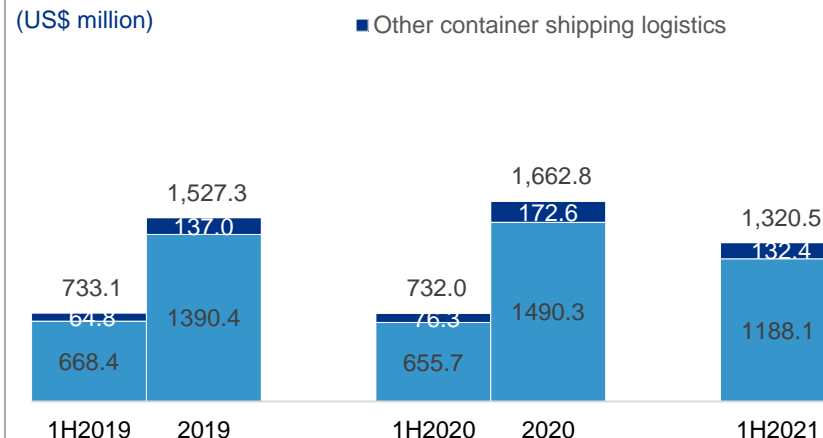
Container Shipping and Logistics: Overview



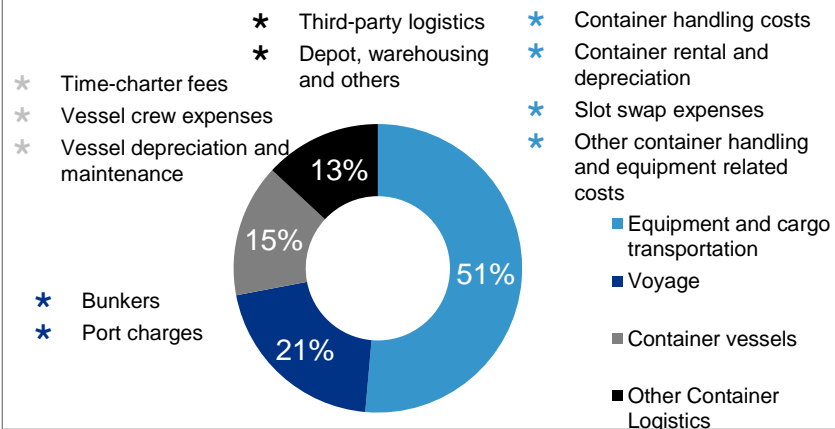
Container Shipping Volume and Avg. Freight Rate



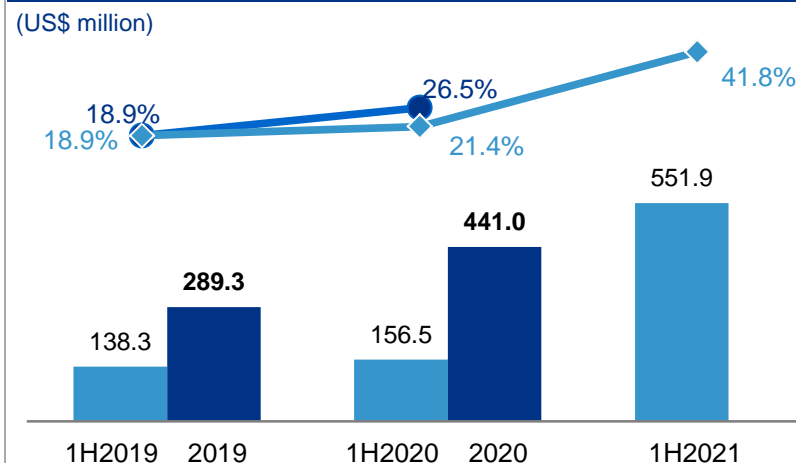
Revenue



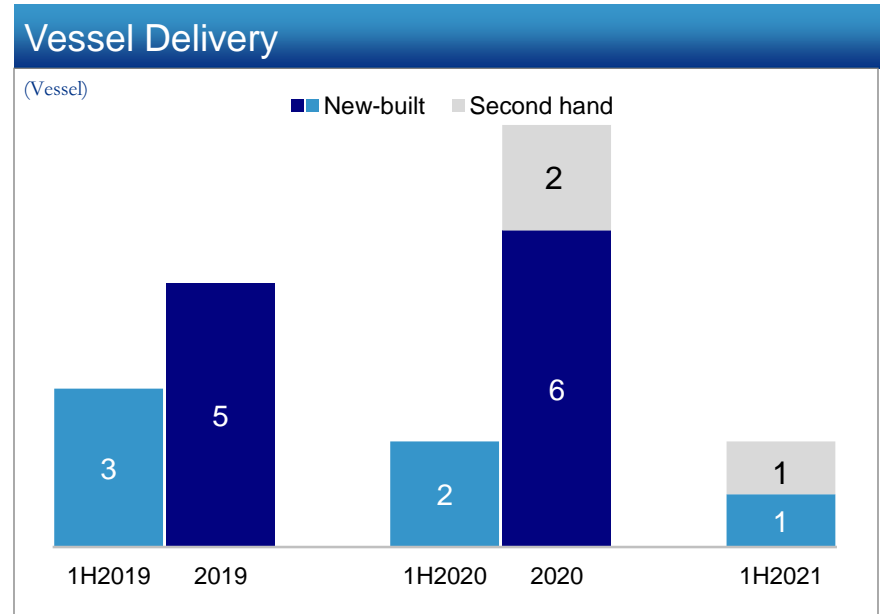
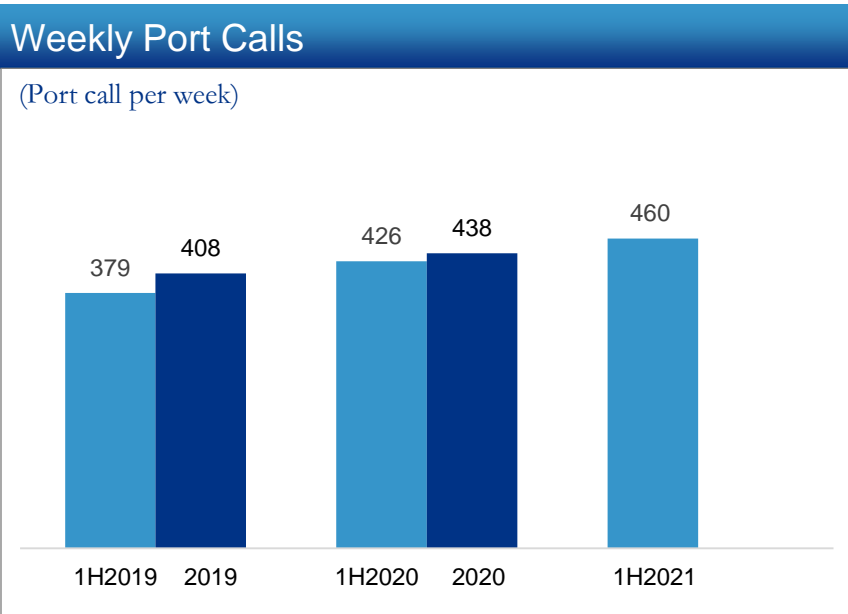
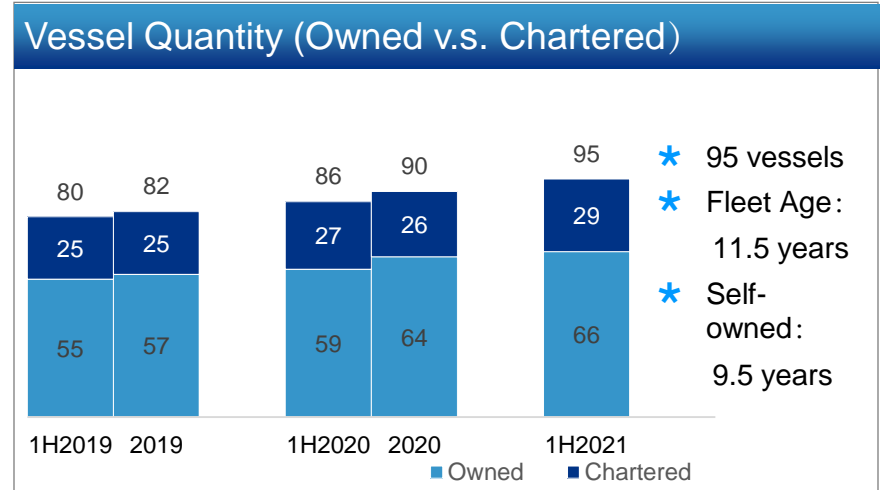
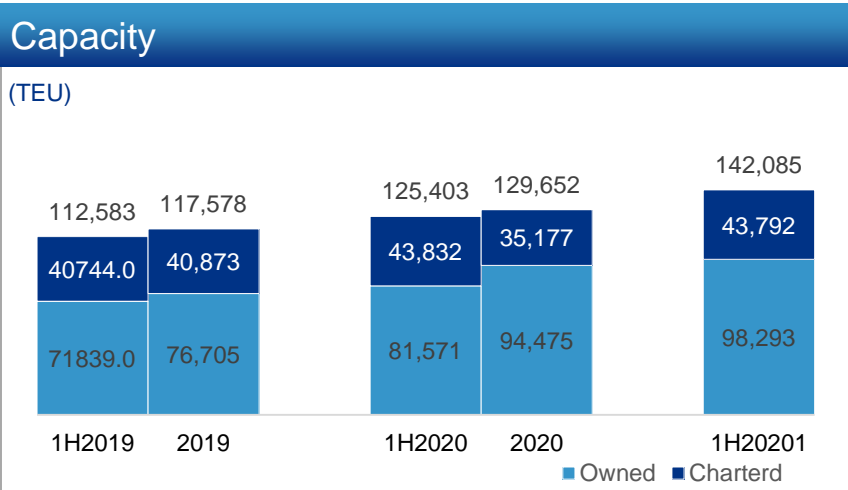
Cost of Sales Breakdown



Gross Profit and Gross Profit Margin



Container Shipping and Logistics: Fleet

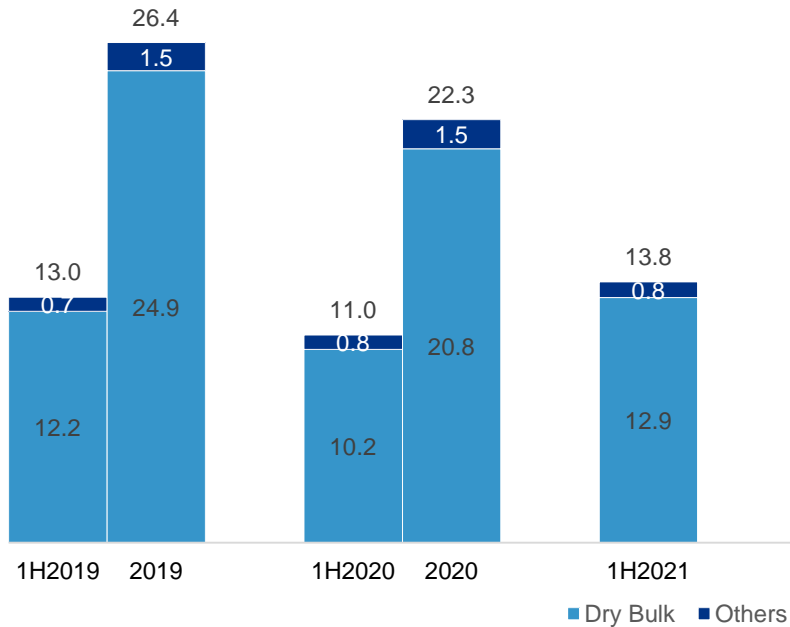


Dry Bulk and Others: Overview



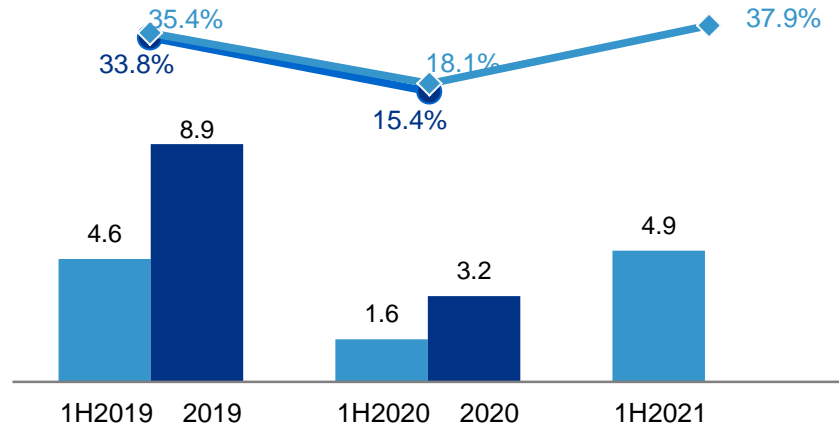
Revenue

(US\$ Million)

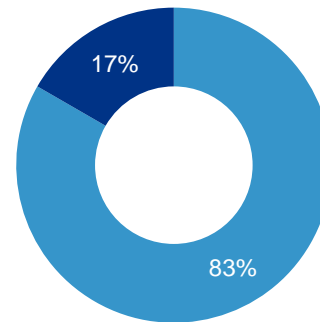


Gross Profit and Gross Profit Margin

(US\$ Million)



Dry Bulk Vessels



- * 6 dry bulk vessels with 439,039 Dwt
- * Average Age: 8.7 years
- * Supermax: 1 vessel with 58,107 Dwt
- * Panamax: 5 vessels with 380,488Dwt in total



3. Financial Overview

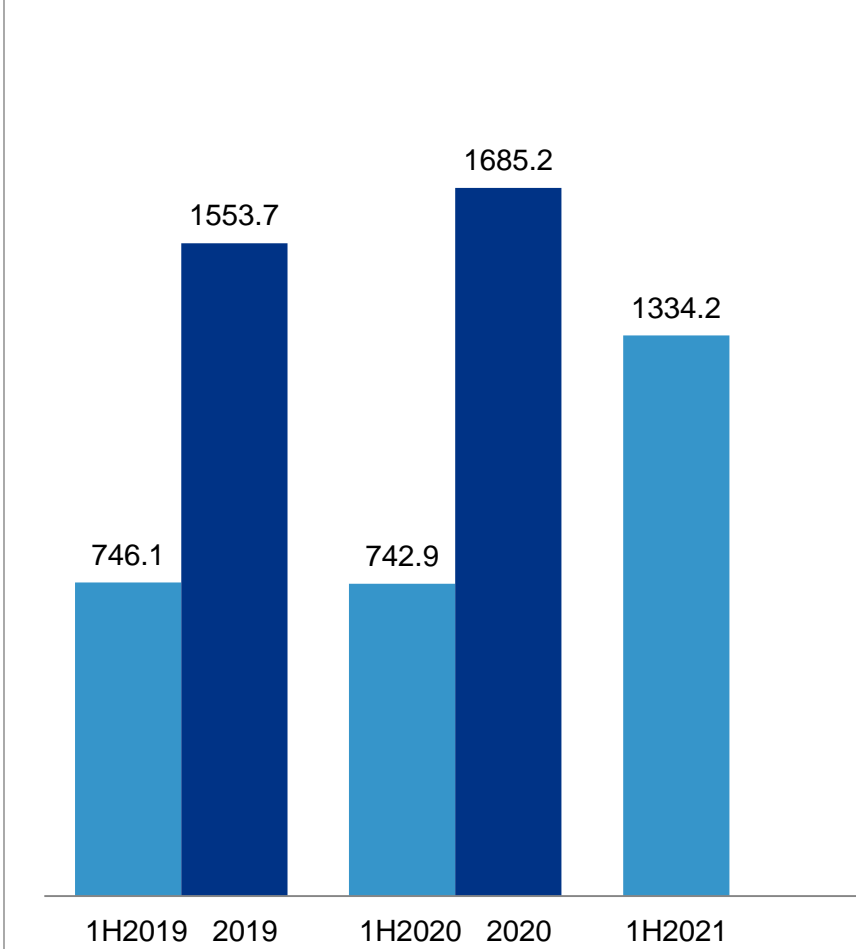


Financial Overview



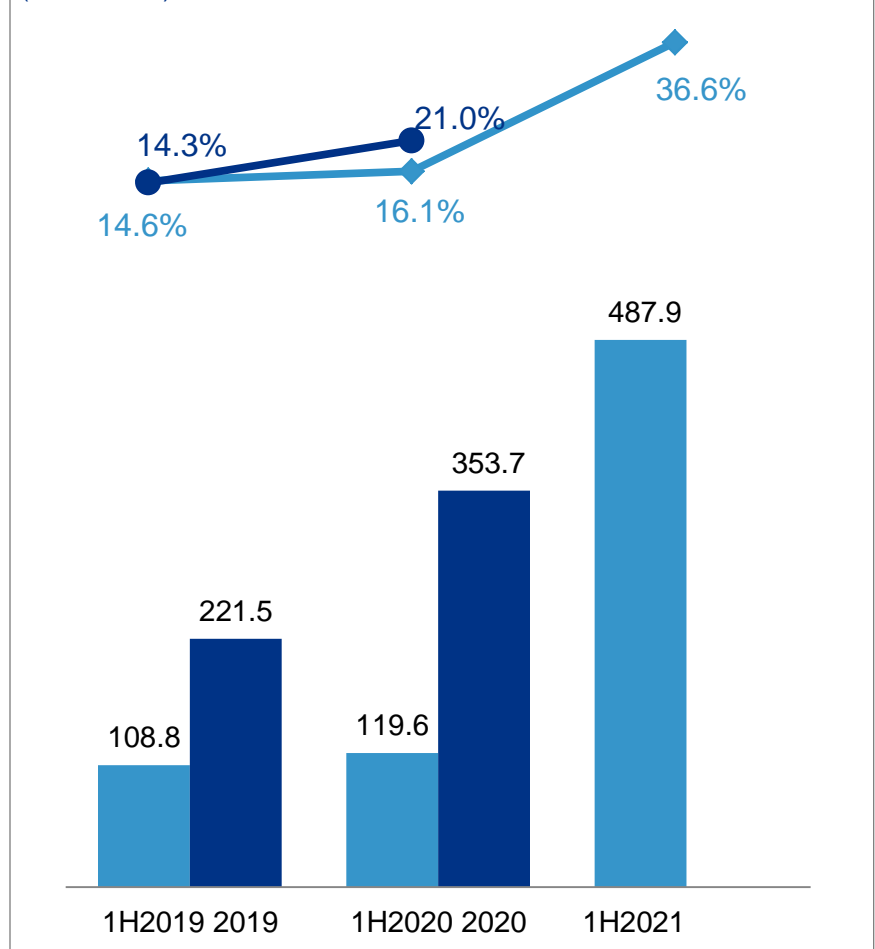
Revenue

(US\$ million)

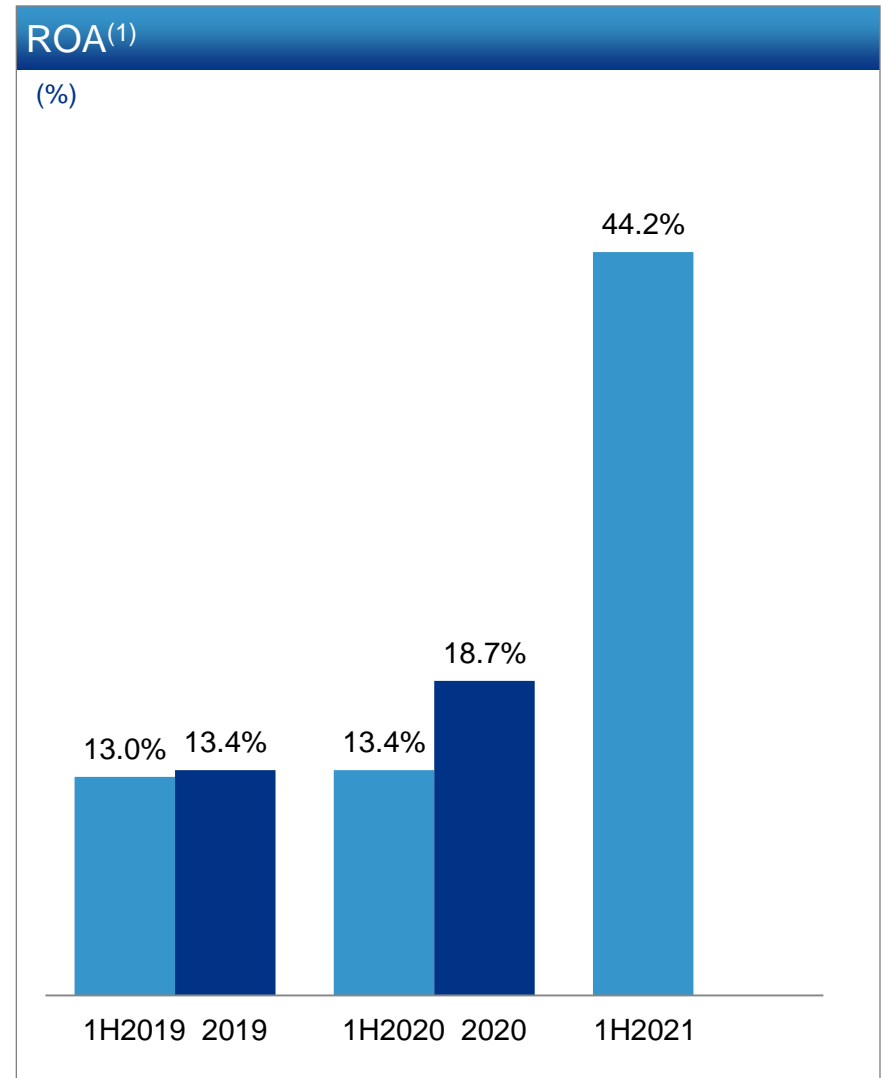
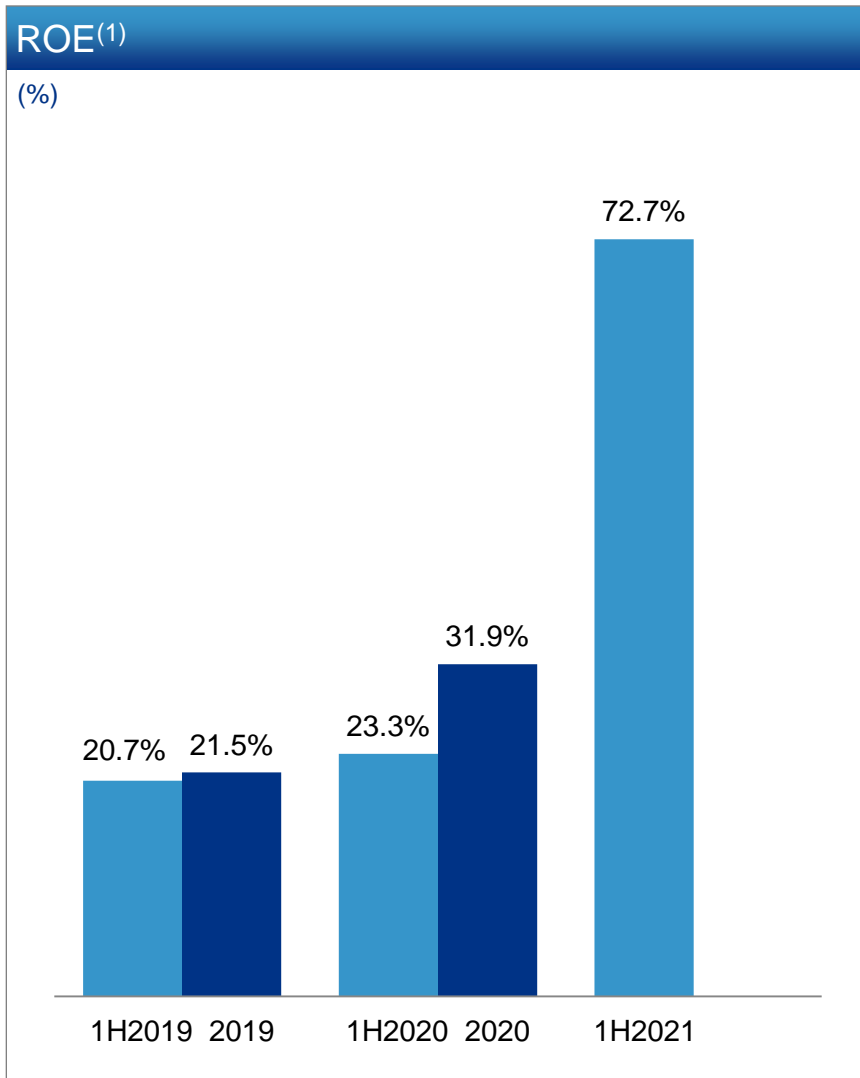


Net Profit and Net Profit Margin

(US\$ million)



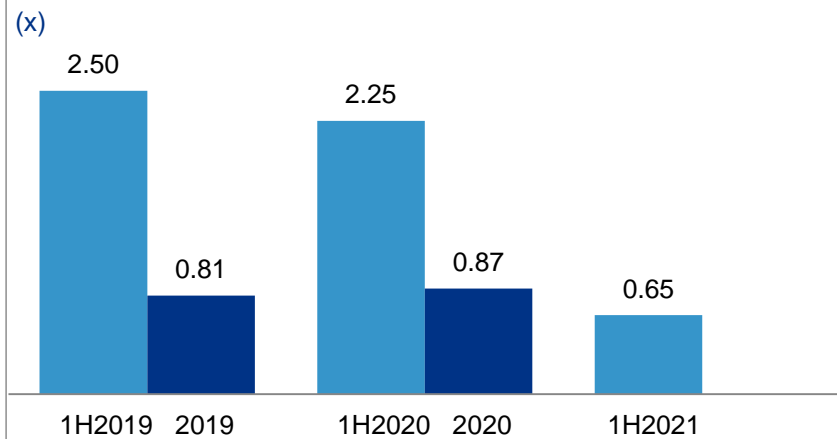
Return Analysis



(1) These ratios are annualized

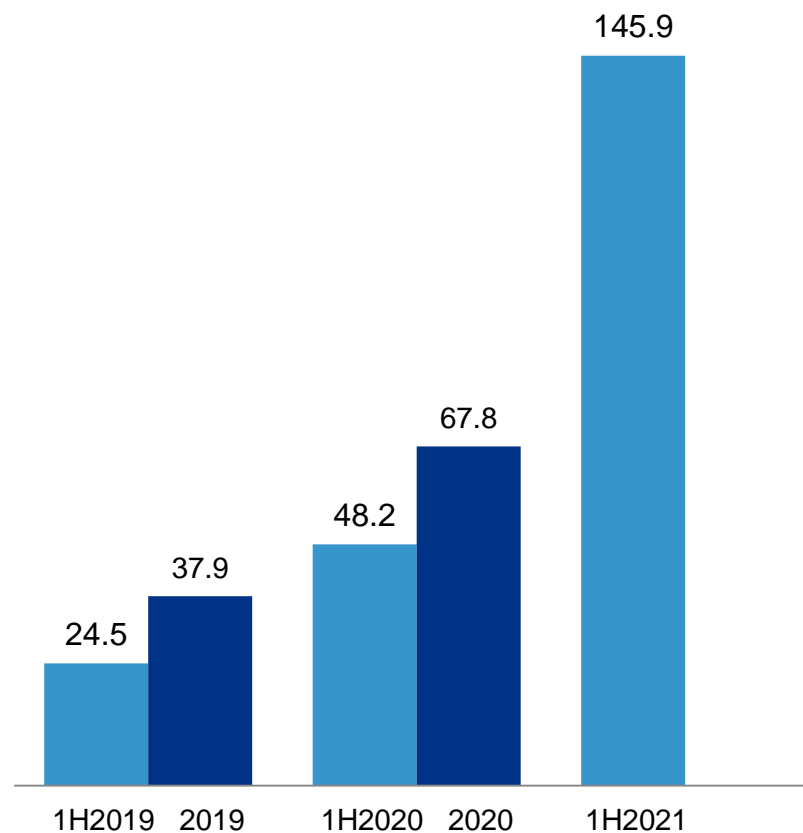


Interest-Bearing Bank Borrowings⁽¹⁾ / EBITDA⁽¹⁾

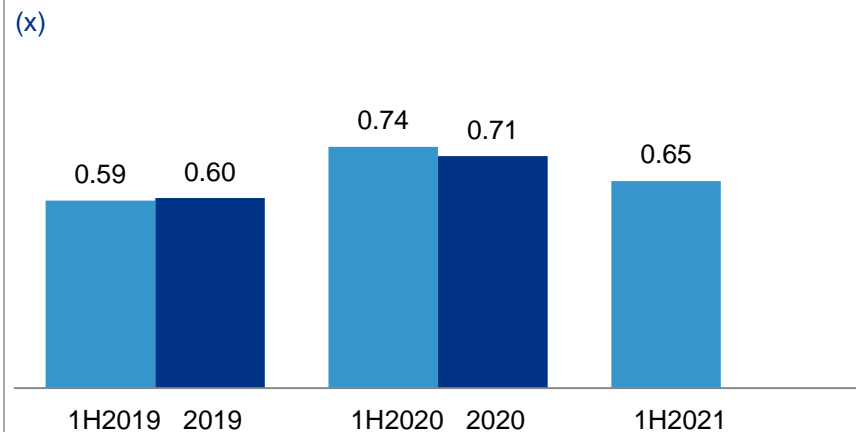


Interest Coverage⁽¹⁾

EBITDA / Interest Expense (x)



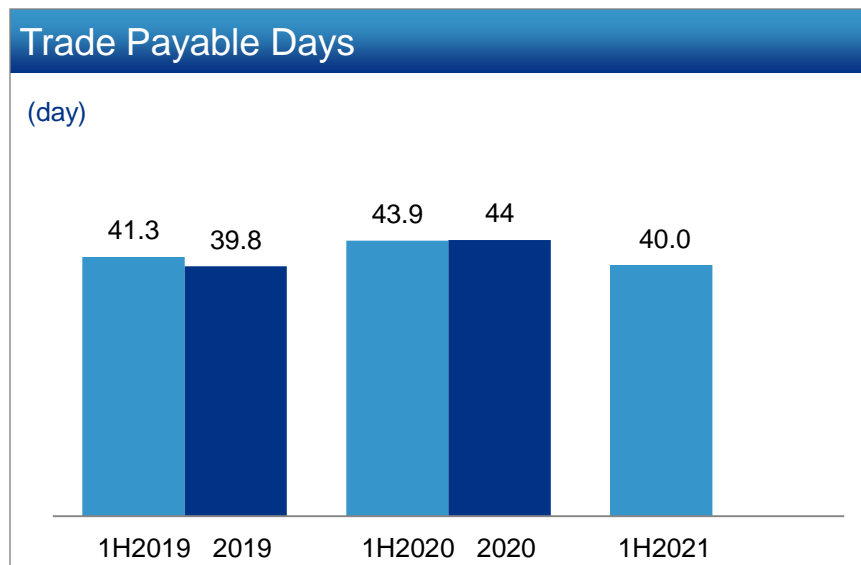
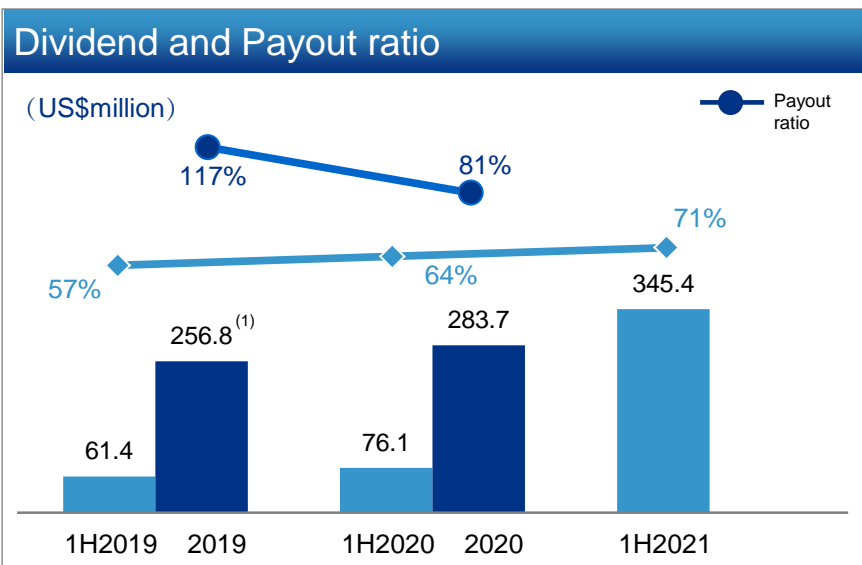
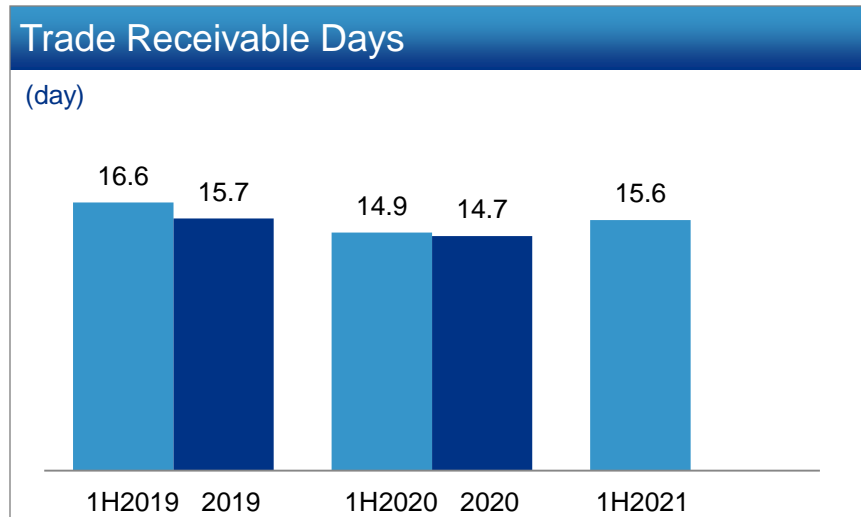
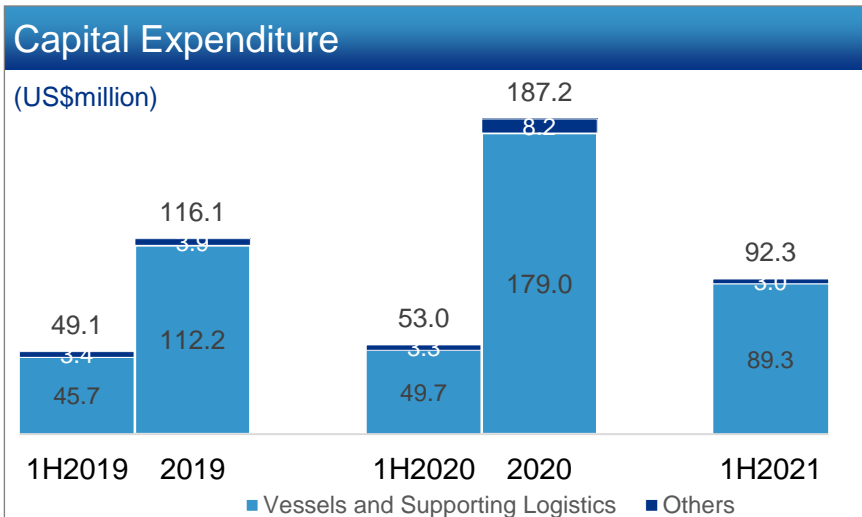
Total Liabilities / Shareholders' Equity⁽¹⁾



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

Income Statement Summary



US\$'000	1H2021	1H2020	Variance
Revenue	1,334,237	742,943	79.6%
Cost of Sales	(777,016)	(584,416)	33.0%
Gross Profit	557,221	158,527	251.5%
Other Income and Gains, net	8,859	12,269	-27.8%
Administrative Expenses	(66,446)	(42,816)	55.2%
Other Expenses, net	(2,479)	(885)	180.1%
Finance Costs	(7,850)	(6,926)	13.3%
Share of Profits and Losses of Associates and Joint Ventures	7,139	4,359	63.8%
Profit Before Tax	496,444	124,528	298.7%
Income Tax	(8,523)	(4,889)	74.3%
Profit For The Year	487,921	119,639	307.8%

Balance Sheet Summary



US\$'000	30 Jun 2021	31 Dec 2020	Variance
Cash and cash equivalents	719,415	535,558	34.3%
Trade receivables	126,189	103,922	21.4%
Property, plant, equipment & their prepayments	1,193,498	1,139,510	4.7%
Right of use asset	205,635	169,557	21.3%
Investment in JV and Associates	54,439	46,409	17.3%
Other assets	77,739	45,883	69.4%
Total assets	2,376,915	2,040,839	16.5%
Trade payables	193,770	173,039	12.0%
Interest-bearing bank borrowings	368,826	428,893	-14.0%
Lease liability	190,290	152,619	24.7%
Other liabilities	133,344	90,900	46.7%
Equity attributable to owners of the parents	1,478,391	1,184,487	24.8%
Non-controlling interests	12,294	10,901	12.8%
Total liabilities and equity	2,376,915	2,040,839	16.5%



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

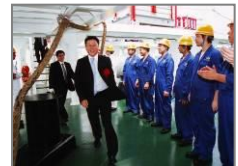
- 2008** * Became market leader among PRC-Japan route

- 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

- 1992** * SITC Corp was established to operate freight forwarding business

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Our Business



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



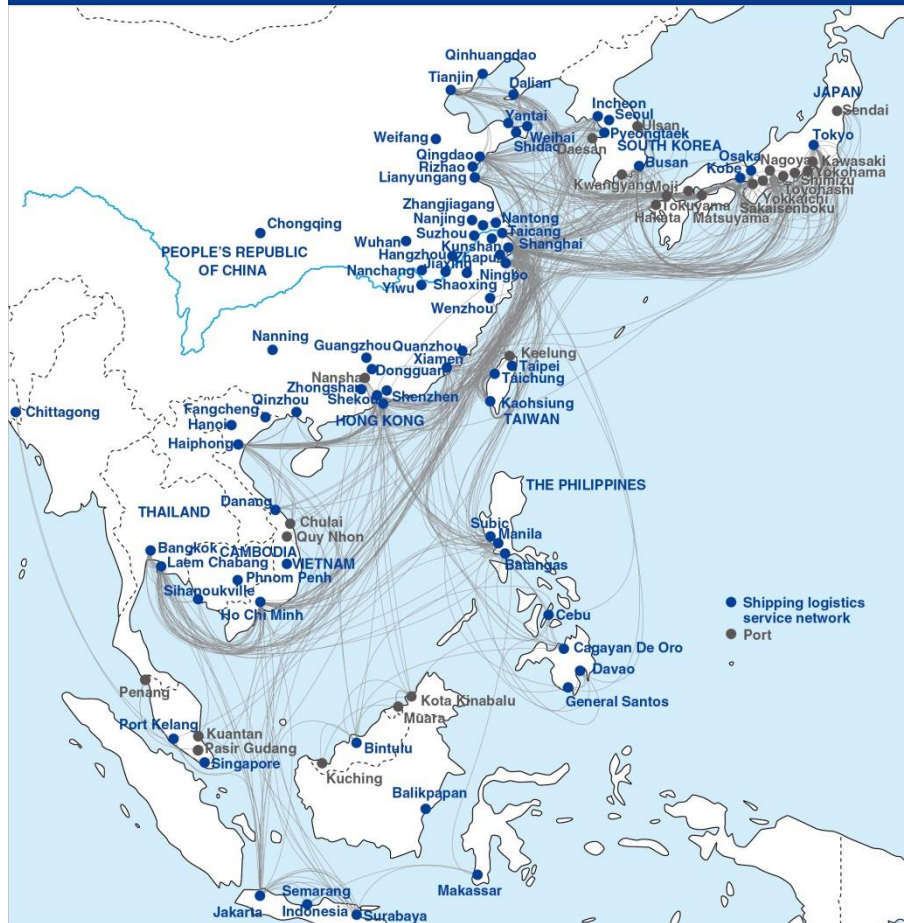
Source: (1) Drewry
(2) As of July 2021, Alphaliner

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 75 trade routes
- Operate, including joint ventures, approximately 1,250,009 m² of depot and 127,488 m² of warehousing space
- Wide range of scheduling options for customers

* High Frequency

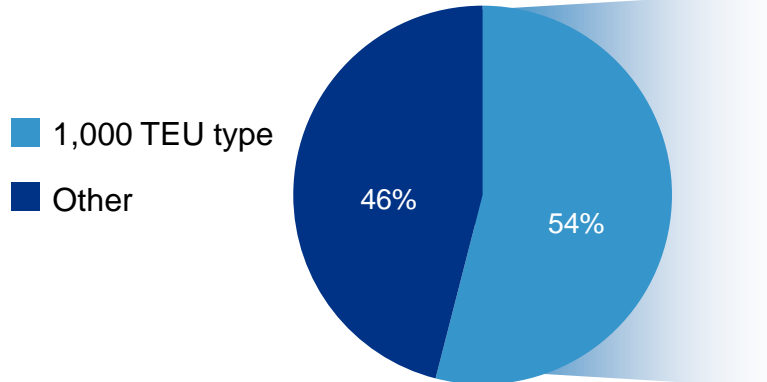
- Own one of the highest service frequencies in Asia
- 460 port calls per week
- Higher flexibility in scheduling for customers

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.

51 of 95 Vessels are 1,000 TEU Type

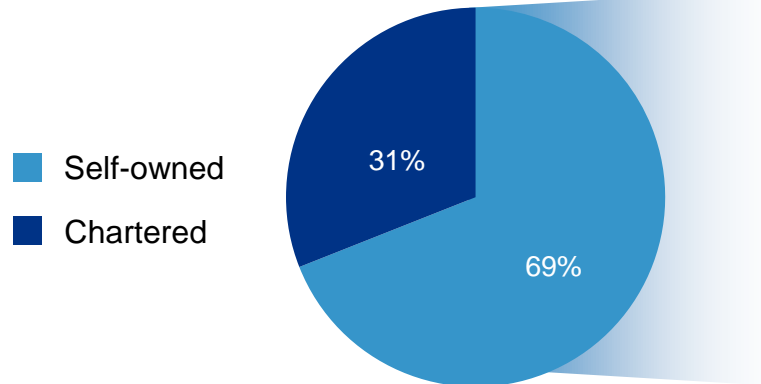


- * Small vessel best suits our business model in terms of space utilization, operating efficiency and speed

- * 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

66 of 95 Vessels are self-owned



- * Young fleet with average age of 11.5 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