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# SITC International Holdings Company Limited

(Stock Code: HK1308)

March 2023

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## 1 2022 Highlights

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## 2 Operational Review

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## 3 Financial Overview

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## 4 Company Overview

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# 1. 2022 Highlights

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# 2022 Highlights



We continued to perform well in 2022 and recorded a net profit of US\$1.95 billion, which represented a YoY increase of 67.1%.

	2022	2021	Variance
Container shipping volume (TEU)	3,261,939	3,142,118	3.8%
Revenue (US\$ m)	4,113.0	3,012.4	36.5%
Gross profit (US\$ m)	1,979.1	1,319.4	50.0%
Net profit (US\$ m)	1,949.8	1,167.2	67.1%
Earnings per share – basic (US cents per share)	72.7	43.7	66.4%

# Development of the Company in 2022



## \* Business development :

- Continue to extend the routes in Asia, and open new routes such as Qinzhou, Haiphong one-week two-shift express, Thai Vietnam Express, and Xiamen Manila South Port, and add services to two ports, namely Kolkata in India and Belawan in Indonesia
- The self-owned container fleet added 20 new vessels, sold and delivered 4 old vessels, and the number of operating vessels exceeded 100 to 108
- The project of Qingdao Intelligent Automation Logistics Base has been successfully advanced, and has obtained the pre-approval of land certificate, construction land planning permit, etc
- Smart Depot Service (Malaysia) Sdn Bhd and Indonesia Semarang Depot was established.

## \* Community and Employee Responsibility :

- The company organized all employees to participate in management skill training
- LNG dual-fuel container vessels join SITC fleet
- The company donated 1 million yuan to Hainan Red Cross Society
- The company donated to Shanghai Maritime University and Dalian Maritime University
- The company Signed the School-enterprise Cooperation Agreement with Shandong Jiao Tong University and Shandong Foreign Trade Vocational College

## \* Accolades:

- SITC receives multiple rankings in “All-Asia Executive Team” by Institutional Investor for second consecutive year and garners 2nd overall for all rankings in mainland China region
- SITC wins title of “Most Outstanding Company in Hong Kong– Transportation Sector” from Asiamoney for the first time
- At the 8th China Shipping Industry Innovation Conference held in Shanghai, SITC won the title of "Container liner company with user satisfaction" and the title of "Top 50 of Chinese freight forwarder brand", and was selected into the 19th "Golden Liner Cup" Innovation Award and the "2022 Top 30 Innovation Case of Port and Shipping Logistics Industry".
- SITC Ship Management Won the Outstanding Performance Award in PSC Inspection for the Year of 2021 Presented by Marine Department, HKSAR
- SITC Customs Broker Co.,Ltd. has been awarded the National Outstanding Customs Declaration Enterprise

## \* IT :

- The company improve network security
- SITC Logistics Park gradually promotes the automation gate



## 2. Operational Review

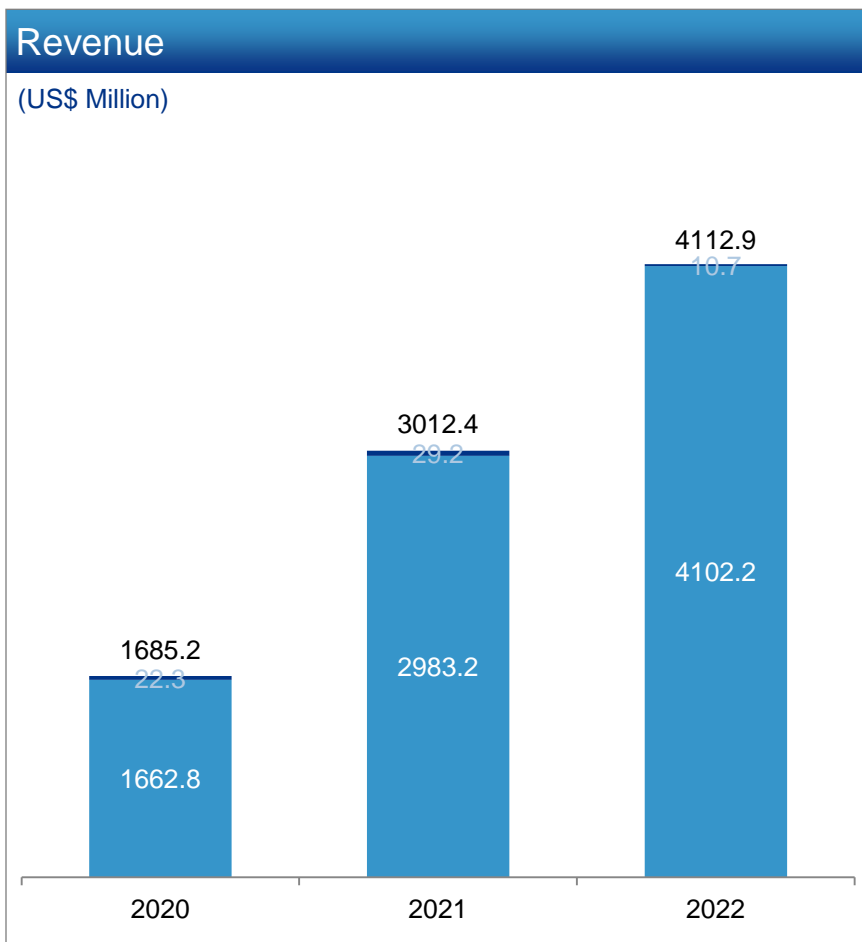
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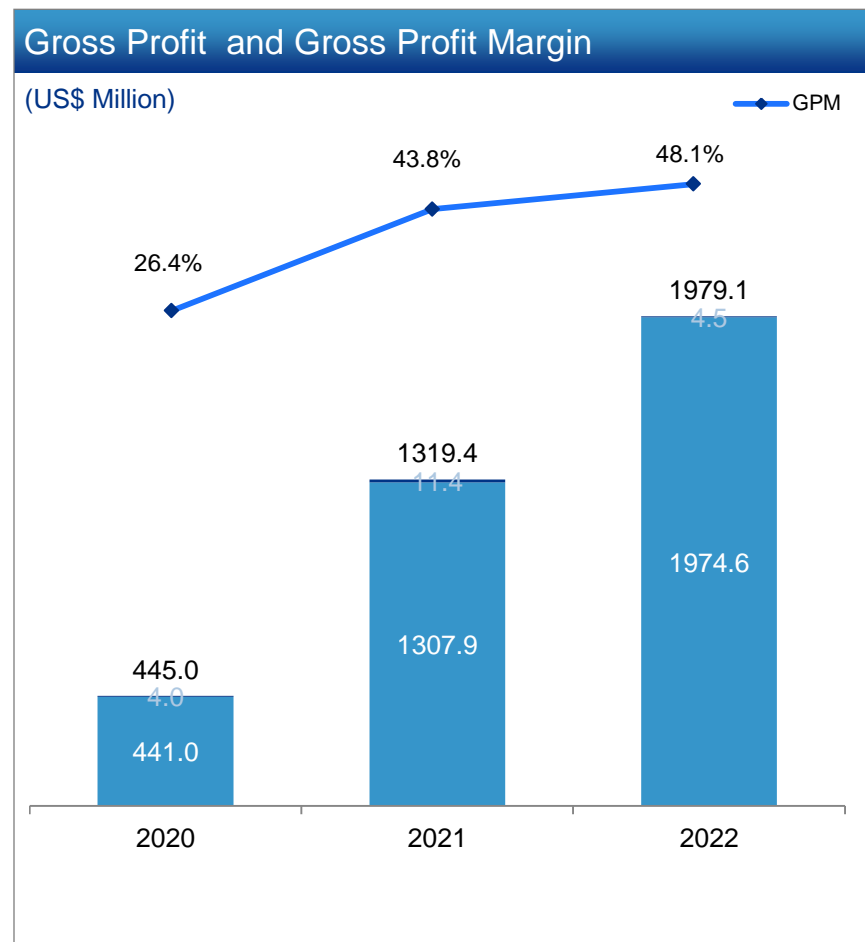
# Segment Review



Our revenue increased by 36.5% in 2022 compared to 2021, and gross profit margin increased from 43.8% in 2021 to 48.1% in 2022.



■ Container shipping and logistics ■ Dry bulk and others



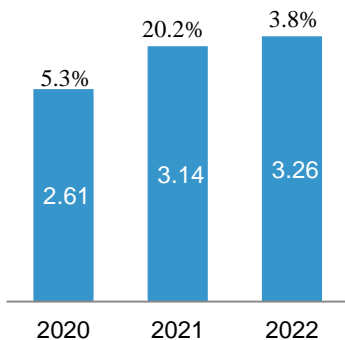


# Container Shipping and Logistics: Overview

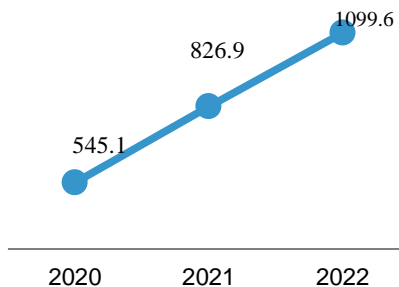


## Container Shipping Volume and Avg. Freight Rate

Container Shipping Vol.  
( TEU Million)



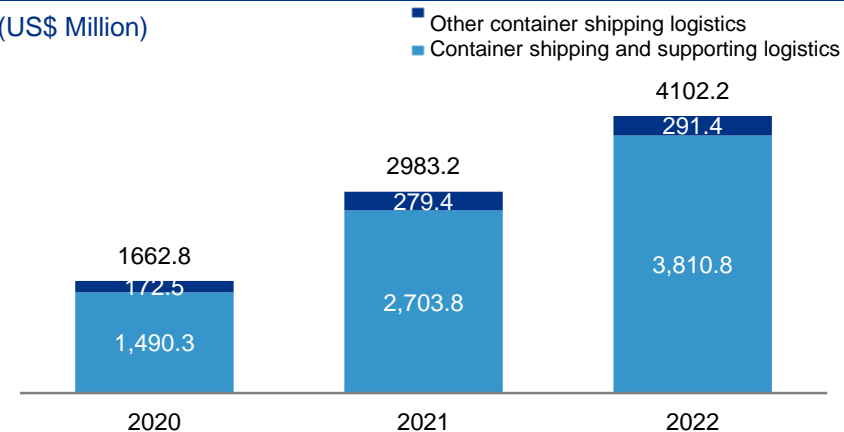
Average Freight Rate  
(US\$/TEU)



Note: Average Freight Rate does not include slot exchange fee income

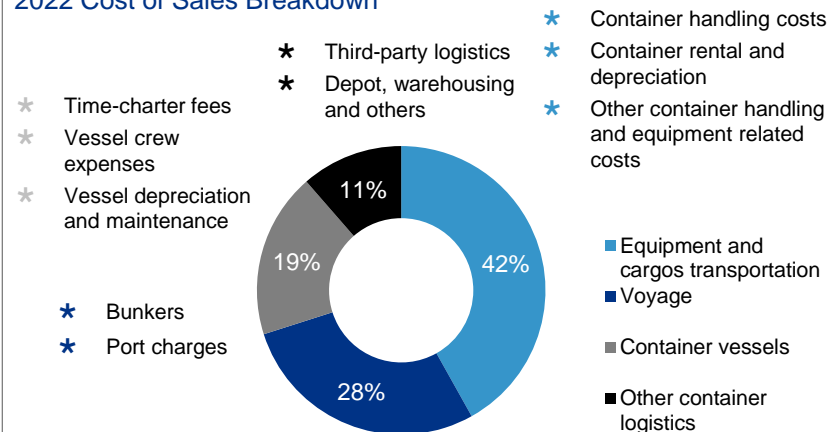
## Revenue

(US\$ Million)



## Cost of Sales Breakdown

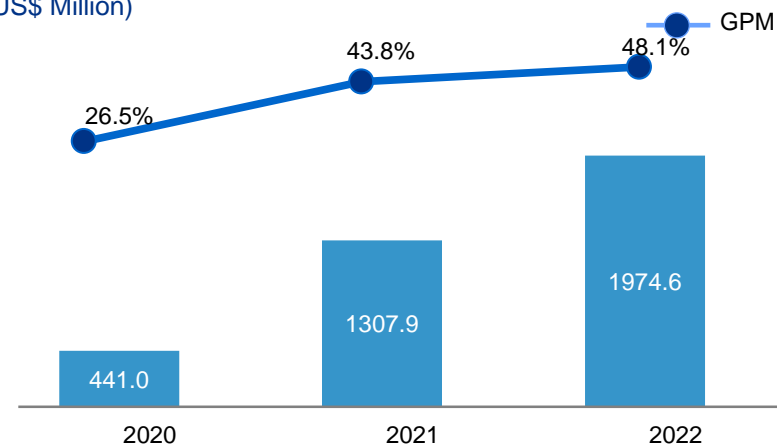
2022 Cost of Sales Breakdown



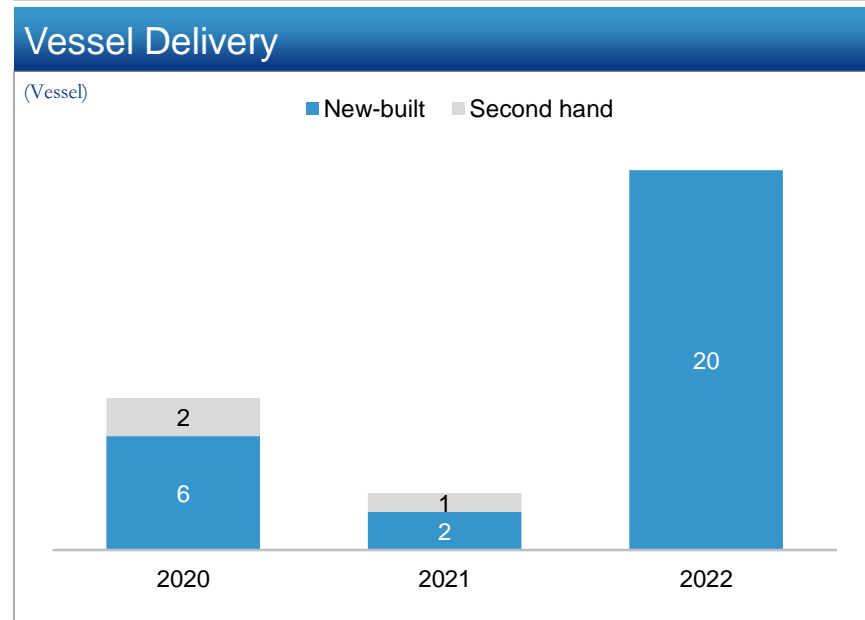
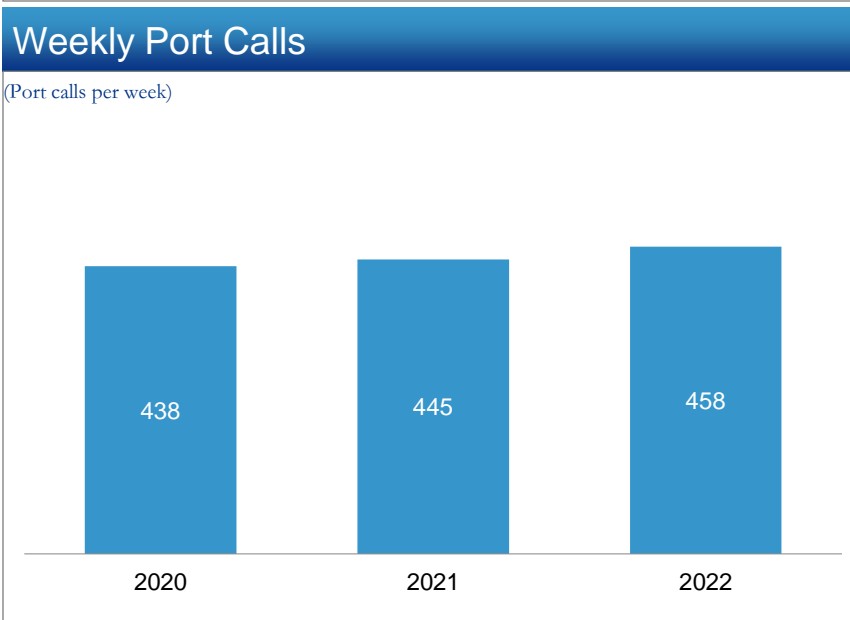
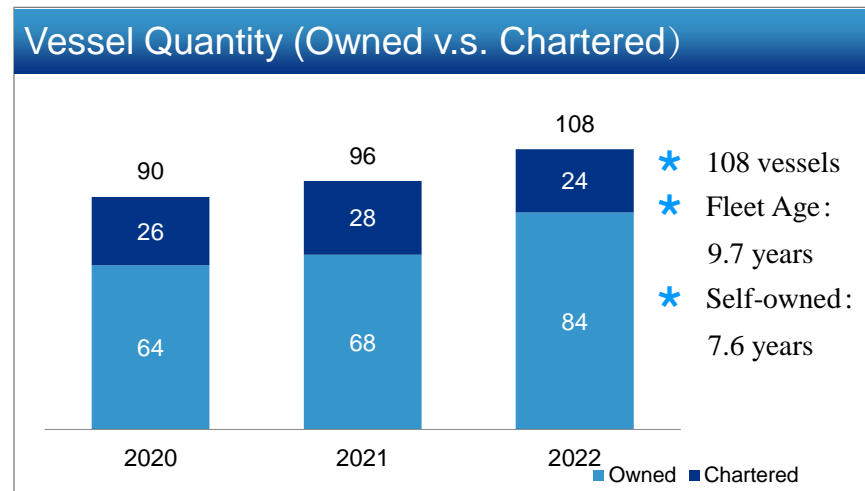
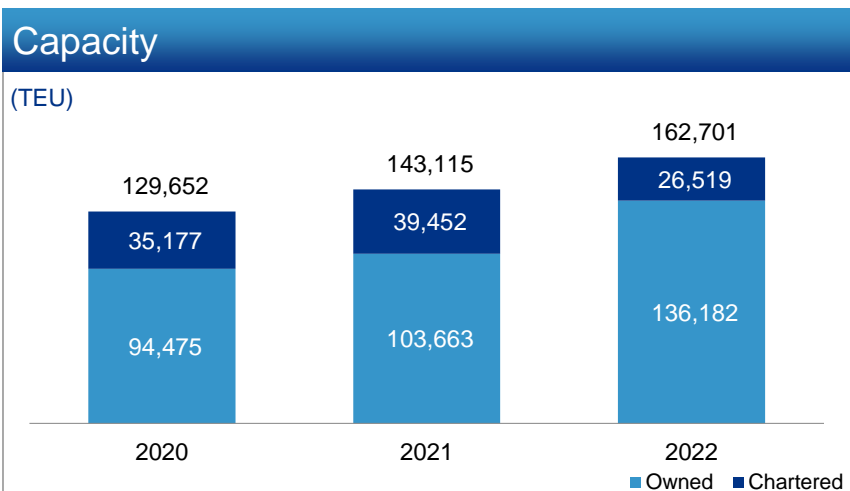
Note: The cost breakdown does not include the slot exchange fee

## Gross Profit and Gross Profit Margin

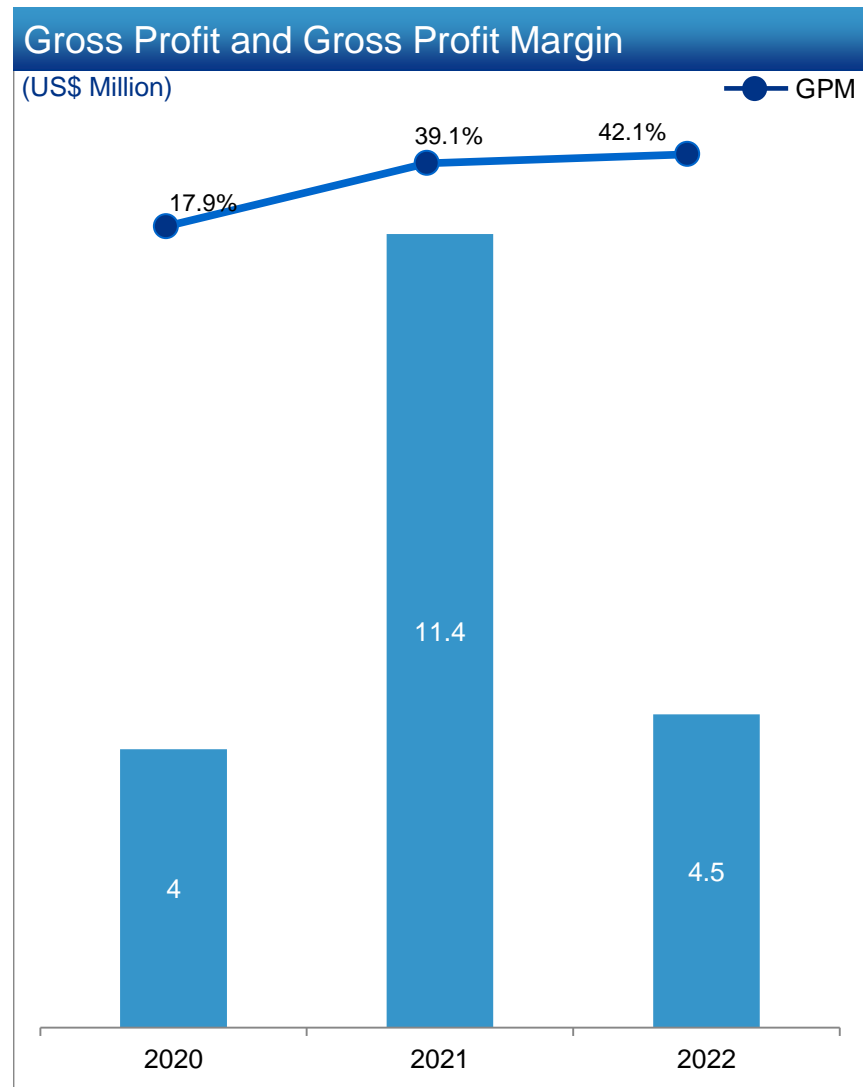
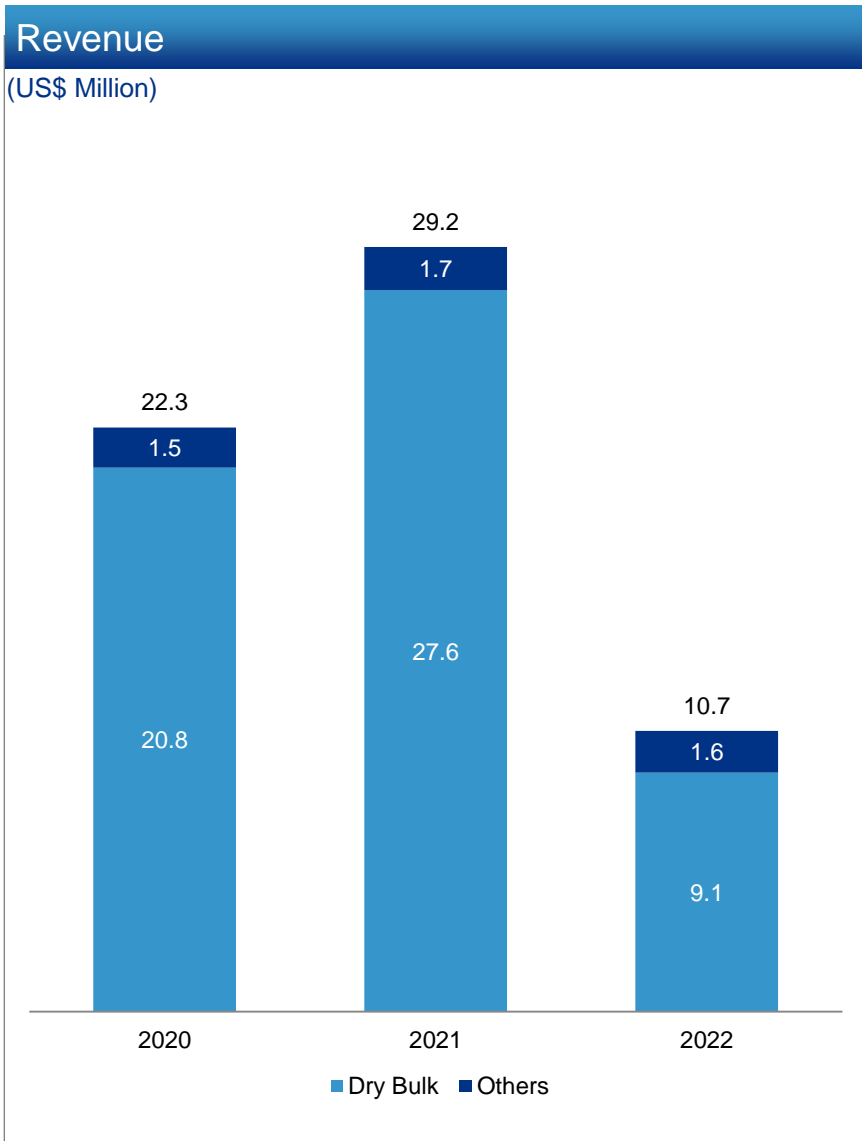
(US\$ Million)



# Container Shipping and Logistics: Fleet



# Dry Bulk and Others: Overview



Note: The dry bulk fleet has been fully sold.



### 3. Financial Overview

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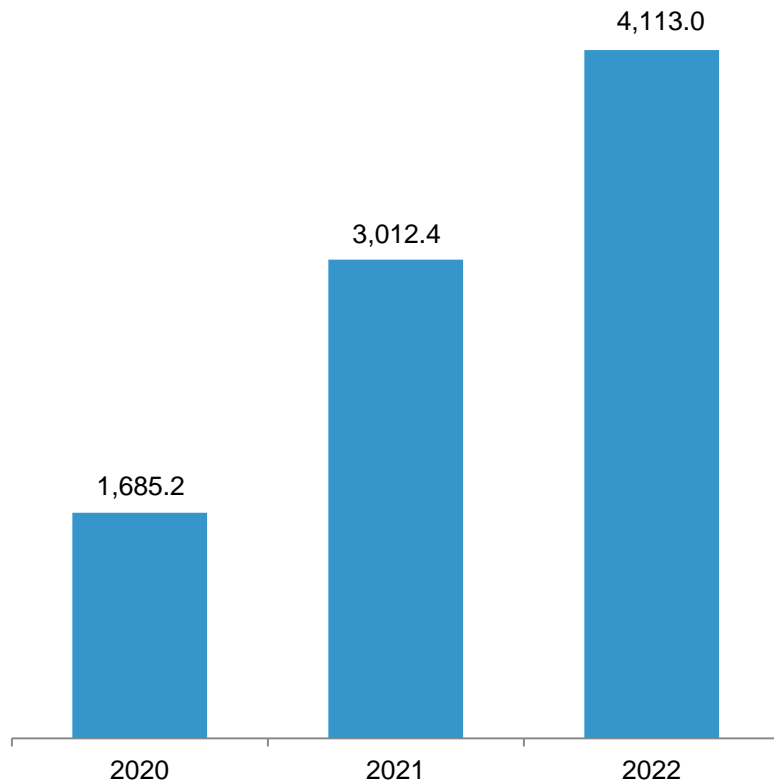


# Profitability Analysis



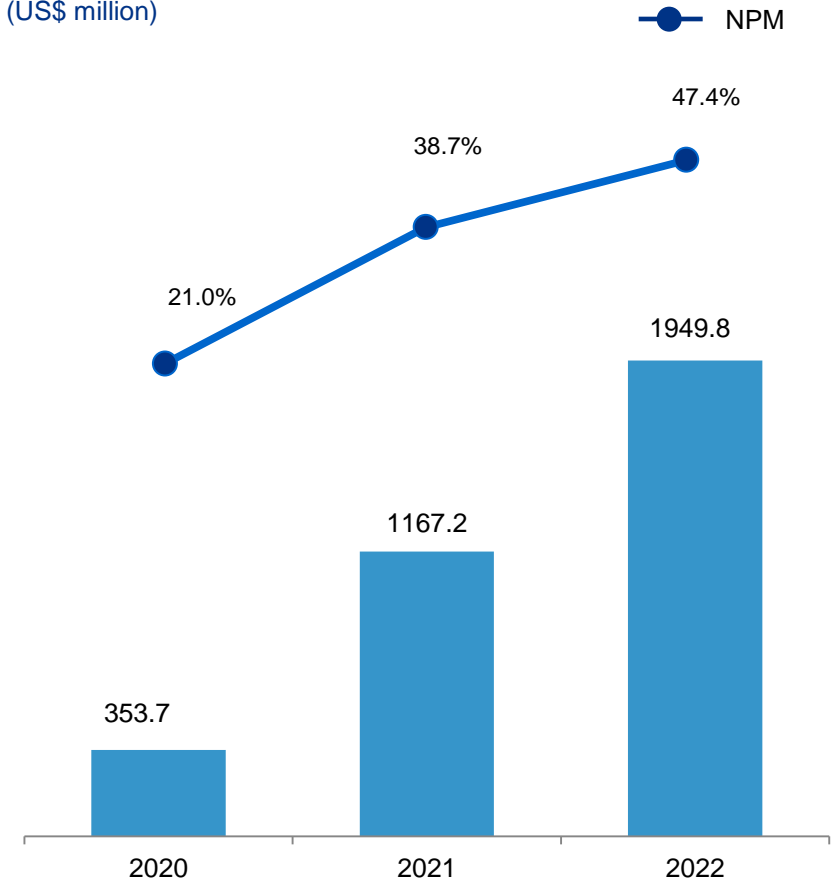
## Revenue

(US\$ million)

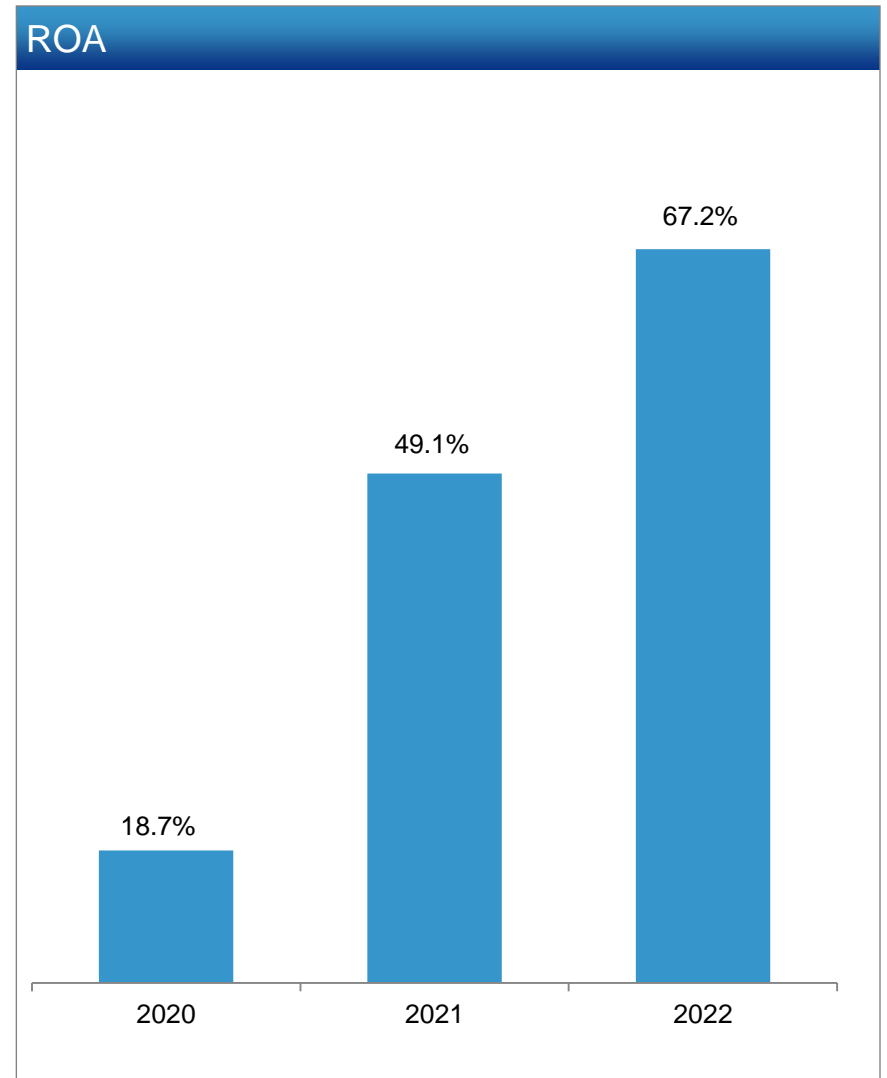
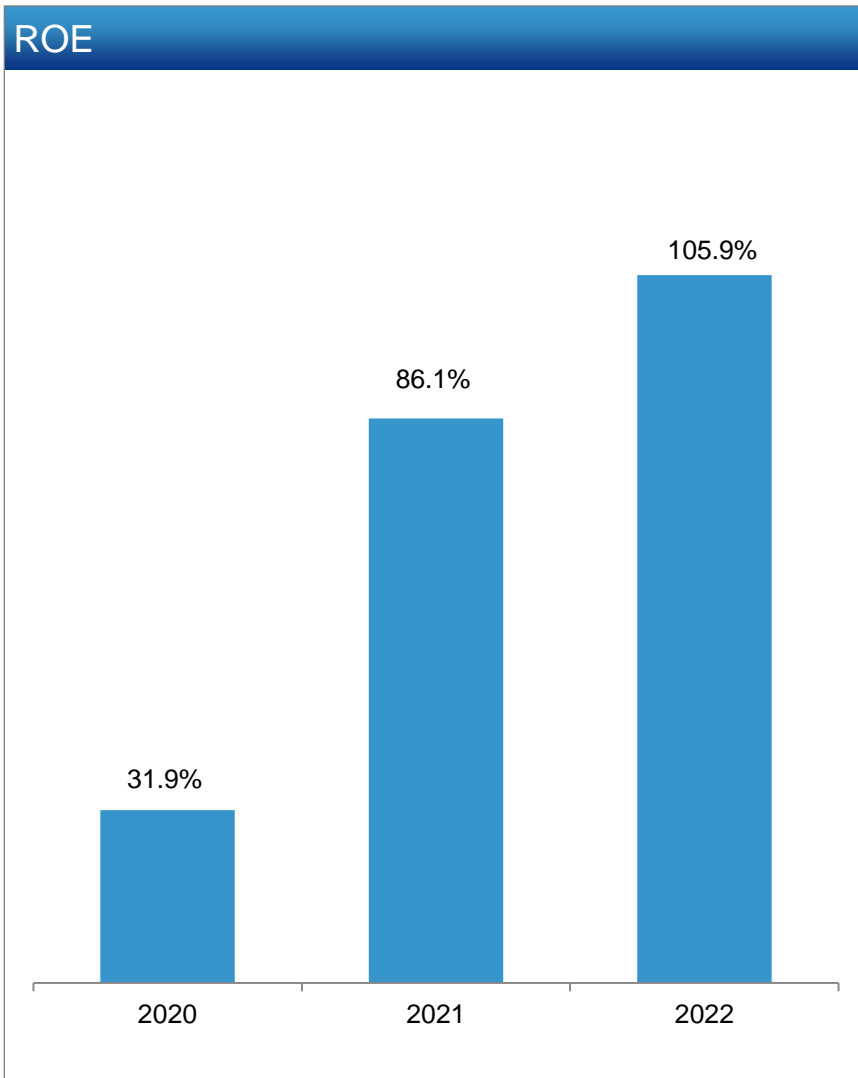


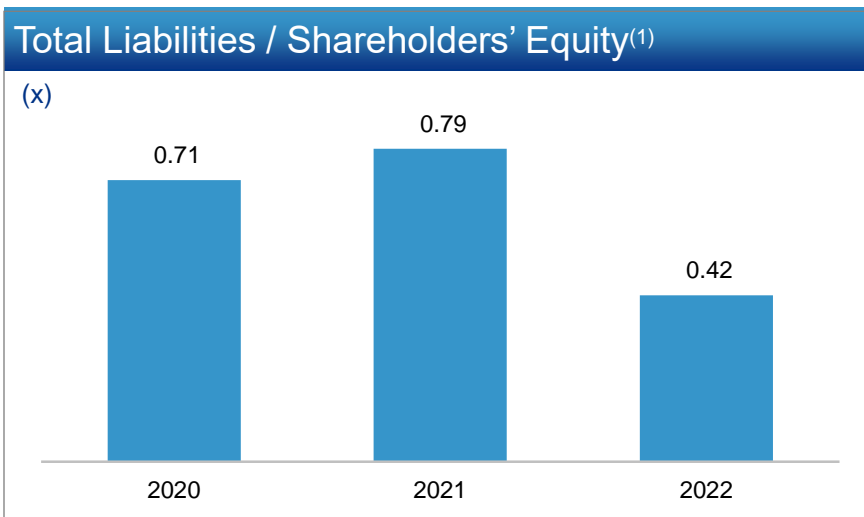
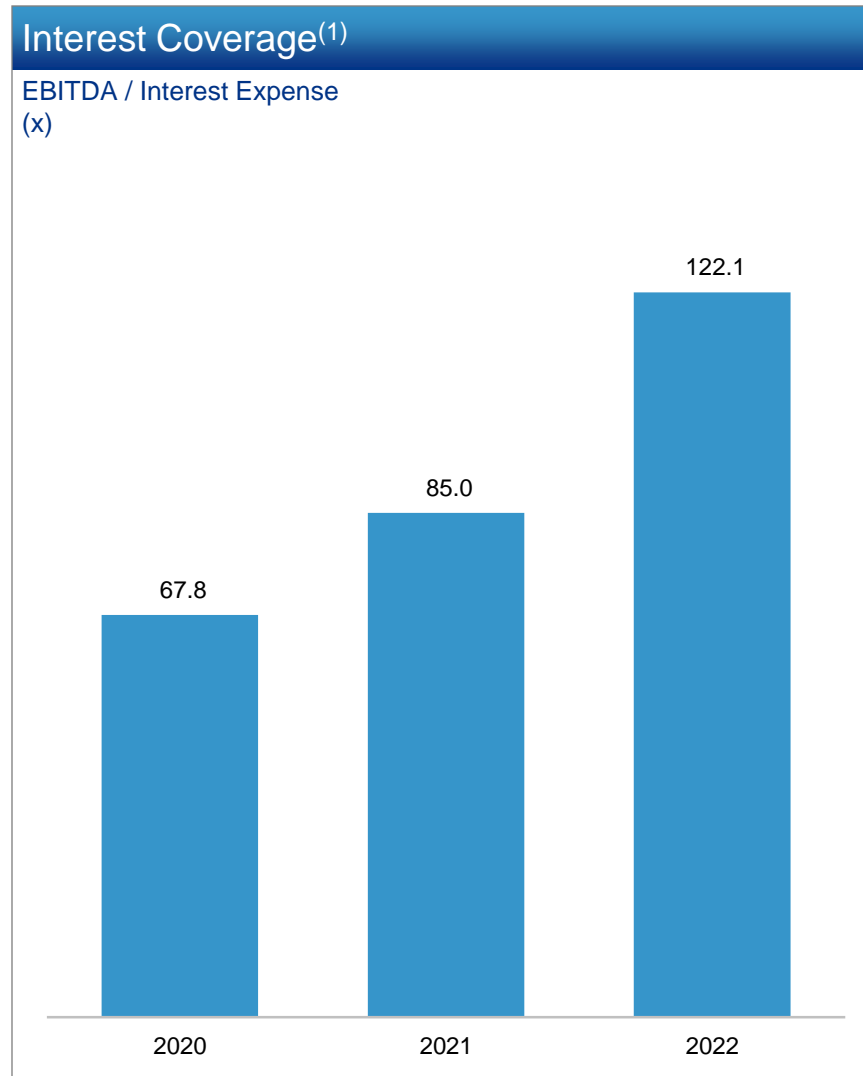
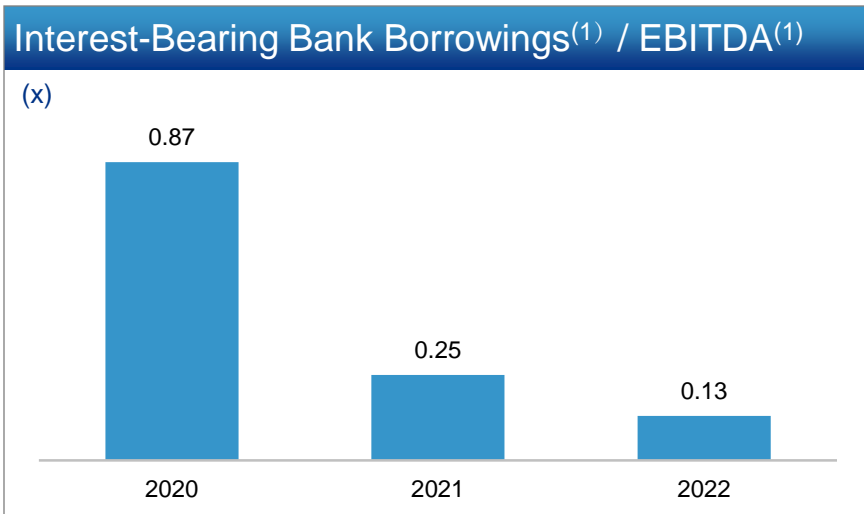
## Net Profit and Net Profit Margin

(US\$ million)



# Return Analysis

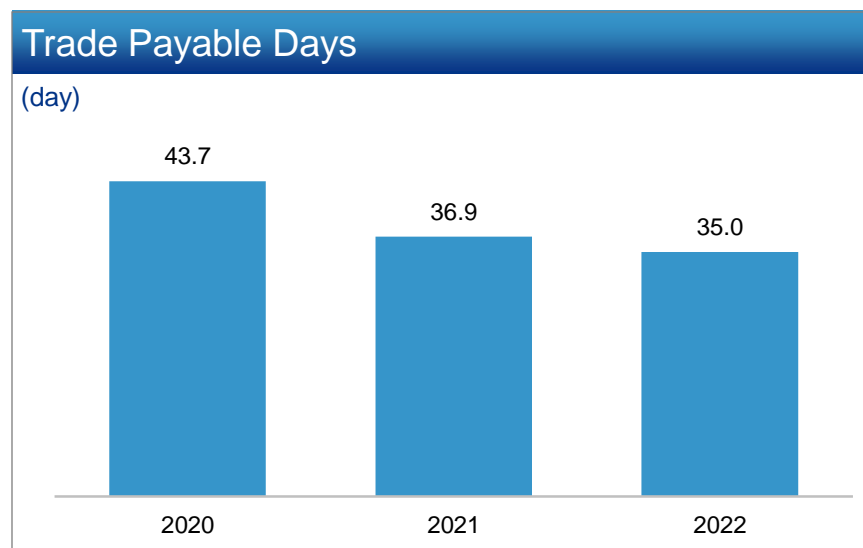
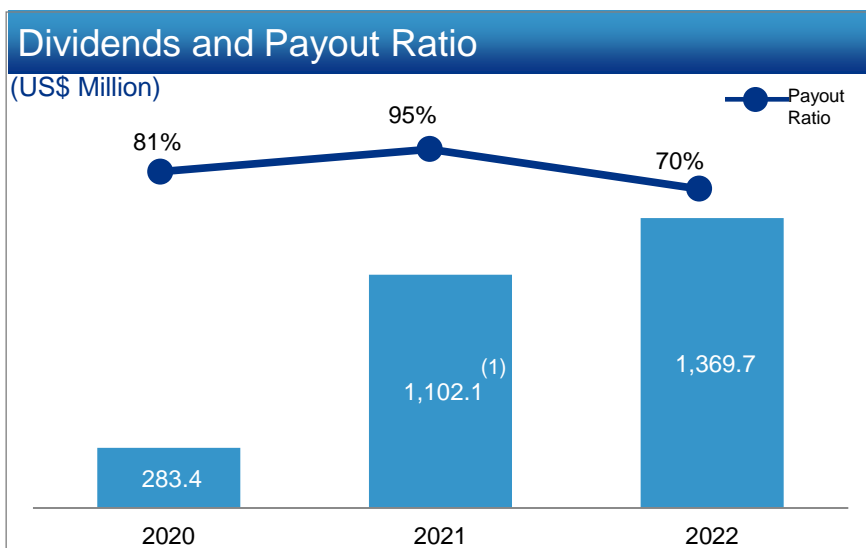
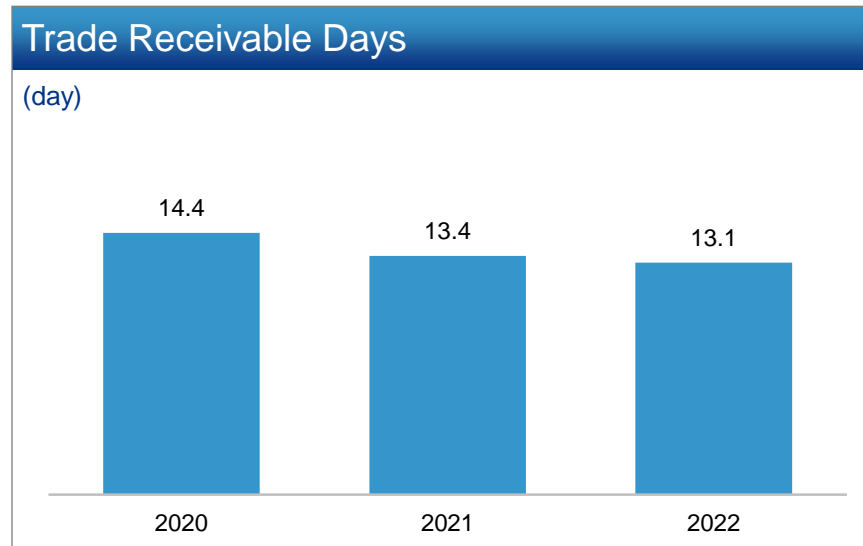
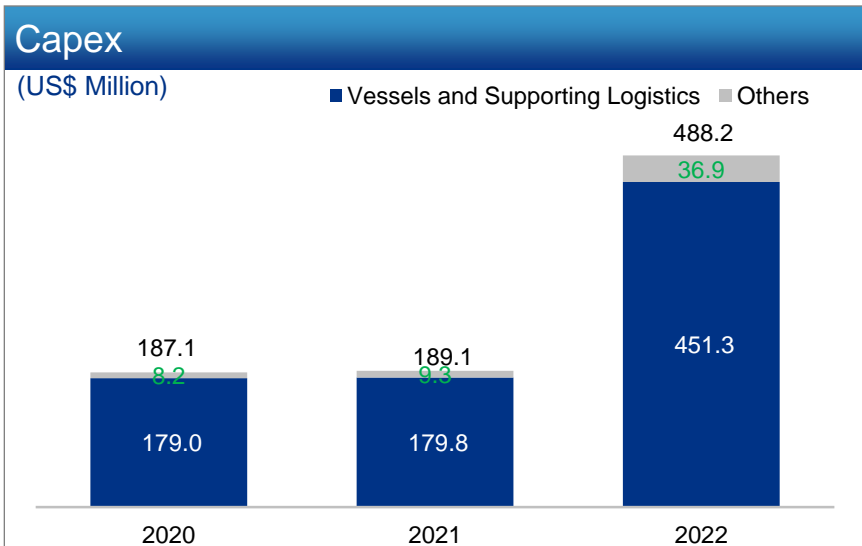




Note:

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

# Cash Flow Overview



Note: (1) including special dividend of US \$275.1million, accounting for 25% of the total . The payout ratio excluding special dividends is 71%



# Income Statement Summary



US\$'000	2022	2021	Variance
Revenue	4,112,955	3,012,447	36.5%
Cost of Sales	(2,133,873)	(1,693,074)	26.0%
<b>Gross Profit</b>	<b>1,979,082</b>	<b>1,319,373</b>	<b>50.0%</b>
Other Income and Gains,net	160,319	24,267	560.6%
Administrative Expenses	(165,651)	(154,764)	7.0%
Other Expenses,net	(5,383)	(4,493)	19.8%
Finance Costs	(17,492)	(15,663)	11.7%
Share of Profits and Losses of Associates and Joint Ventures	22,167	15,946	39.0%
<b>Profit Before Tax</b>	<b>1,973,042</b>	<b>1,184,666</b>	<b>66.5%</b>
Income Tax	(23,235)	(17,487)	32.9%
<b>Profit For The Year</b>	<b>1,949,807</b>	<b>1,167,179</b>	<b>67.1%</b>

# Balance Sheet Summary



US\$'000	Dec 31, 2022	Jan 1, 2022	Variance
Cash and cash equivalents	981,531	919,481	6.7%
Trade receivables	139,051	157,038	-11.5%
Property, plant, equipment & their prepayments	1,508,369	1,232,856	22.3%
Right of use asset	262,923	233,189	12.8%
Investment in JV and Associates	67,407	60,423	11.6%
Other assets	123,575	113,436	8.9%
<b>Total assets</b>	<b>3,082,856</b>	<b>2,716,423</b>	<b>13.5%</b>
Trade payables	209,102	201,857	3.6%
Interest-bearing bank borrowings	271,438	327,271	-17.1%
Lease liability	247,713	219,396	12.9%
Other liabilities	189,592	452,215	-58.1%
Equity attributable to owners of the parents	2,150,540	1,501,687	43.2%
Non-controlling interests	14,471	13,997	3.4%
<b>Total liabilities and equity</b>	<b>3,082,856</b>	<b>2,716,423</b>	<b>13.5%</b>



## 4. Company Overview

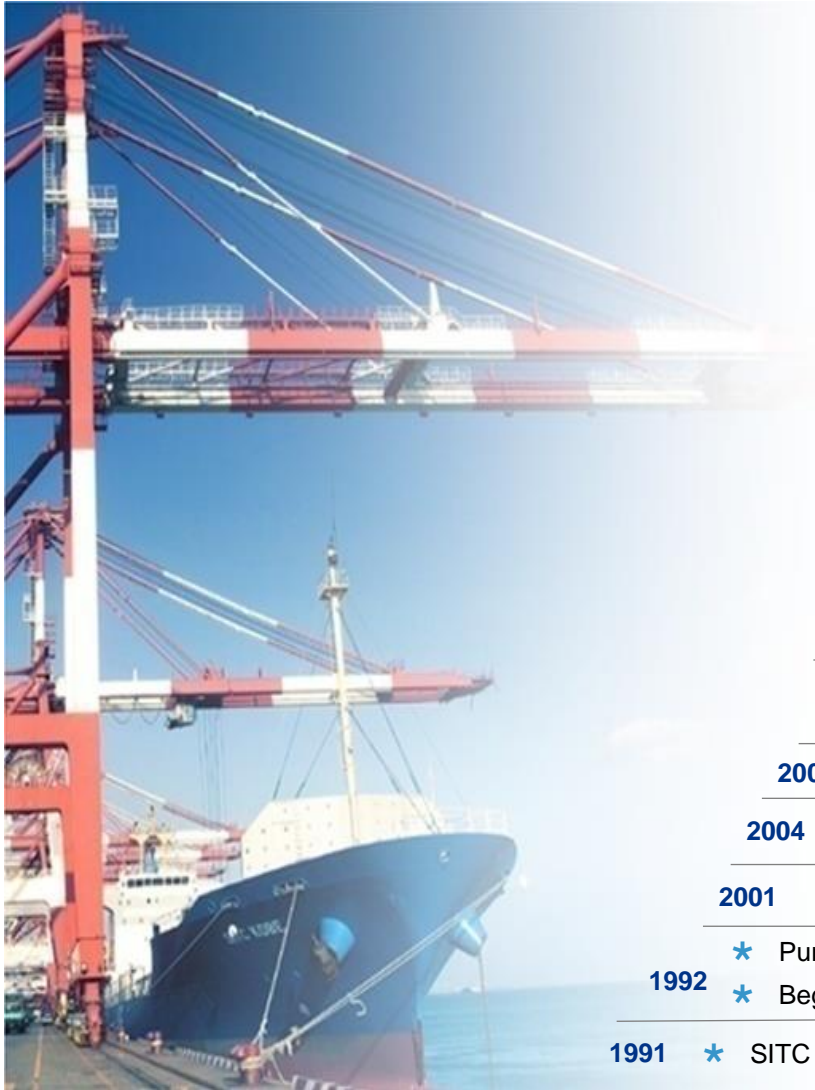
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# Our Corporate Milestones



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



- 2022** \* Marched in India Market
- 2021** \* Opened new routes to West Malaysia and Myanmar
- 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
- 1992** \* 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



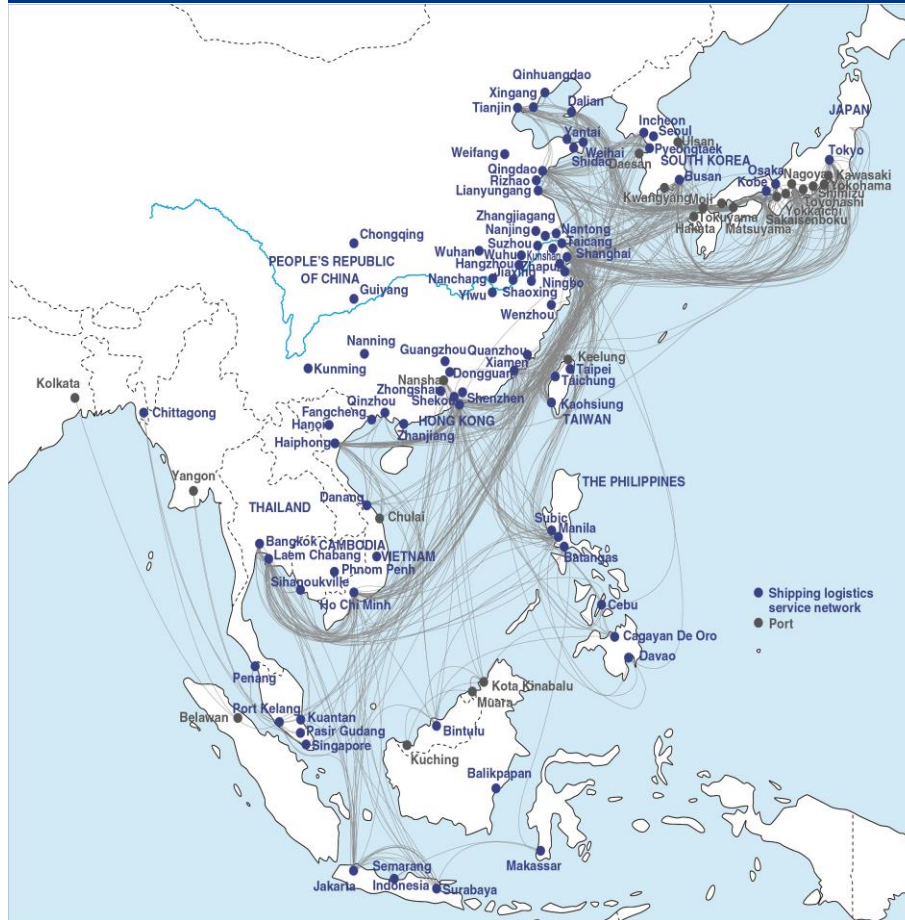
Source: (1) Drewry  
(2) As of 31 Dec 2022, Alphaliner

# 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 17 countries and regions, 76 major ports and 75 trade routes
- Operate, including joint ventures, approximately 1,654,000 m<sup>2</sup> of depot and 154,000 m<sup>2</sup> of warehousing space
- Wide range of scheduling options for customers

### \* High Frequency

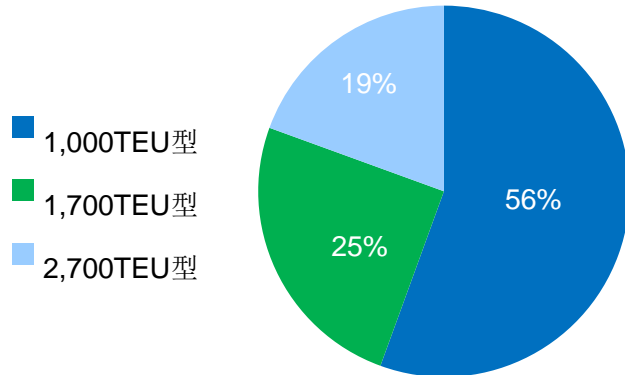
- Own one of the highest service frequencies in Asia
- 458 port calls per week
- Higher flexibility in scheduling for customers

# 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.

56% of 108 Vessels are 1,000 TEU Type

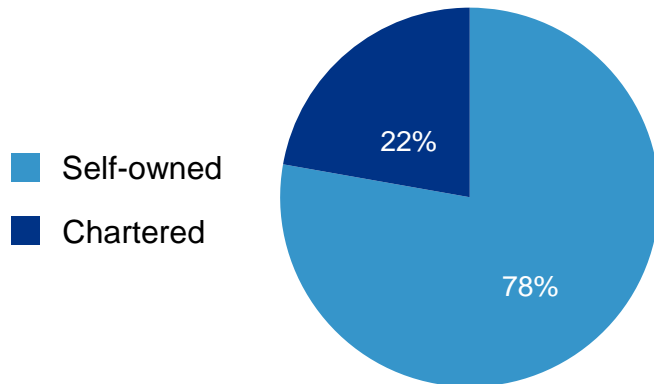


- \* Small vessel best suits our business model in terms of space utilization, operating efficiency and speed

- \* 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

84 of 108 Vessels are self-owned



- \* Young fleet with average age of 9.7 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