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# SITC International Holdings Company Limited

(Stock Code: HK1308)

August 2022

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## 1H2022 Highlights

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# 1. 1H2022 Highlights

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# 1H2022 Highlights



We continued to perform well in 1H2022 and recorded a net profit of US\$1,170.3 million, which represented a YoY increase of 139.9%.

	1H2022	1H2021	Variance
Container shipping volume (TEU)	1,611,495	1,491,433	8.1%
Revenue (US\$ m)	2,257.7	1,334.2	69.2%
Gross profit (US\$ m)	1,204.4	557.2	116.1%
Net profit (US\$ m)	1,170.3	487.9	139.9%
Earnings per share – basic (US cents per share)	43.95	18.24	140.9%

# Development of the Company in 1H2021



## \* Business development :

- Continued to expand the intra-Asia routes ,the number of operating routes increased to 77
- 7 newly built container vessels added to own fleet
- 6 orders for newly built container vessels were added, and 35 orders for newly built container vessels are now held
- Smart Depot Service (Malaysia) Sdn Bhd and SITC Logistics Indonesia Semarang Depot opened
- The unveiling ceremony of SITC E-commerce was successfully held
- The success maiden Rail-Sea voyage on SITC "EUROPE-DALIAN-JAPAN" route
- The launching ceremony of SITC first "Silk Road Shipping" e-commerce express line was held in Xiamen Port
- SITC International signed strategic cooperation agreements with Hisense Group and Guangzhou Port Group

## \* IT:

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

## \* Community and Employee Responsibility:

- LNG dual-fuel container ship join SITC fleet
- SITC and Shandong Foreign Trade Vocational College signed a framework agreement on school enterprise cooperation
- The company donated to Shanghai Maritime University and Dalian Maritime University

## \* 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 Customs Broker Co.,Ltd. has been awarded the National Outstanding Customs Declaration Enterprise



## 2. Operational Review

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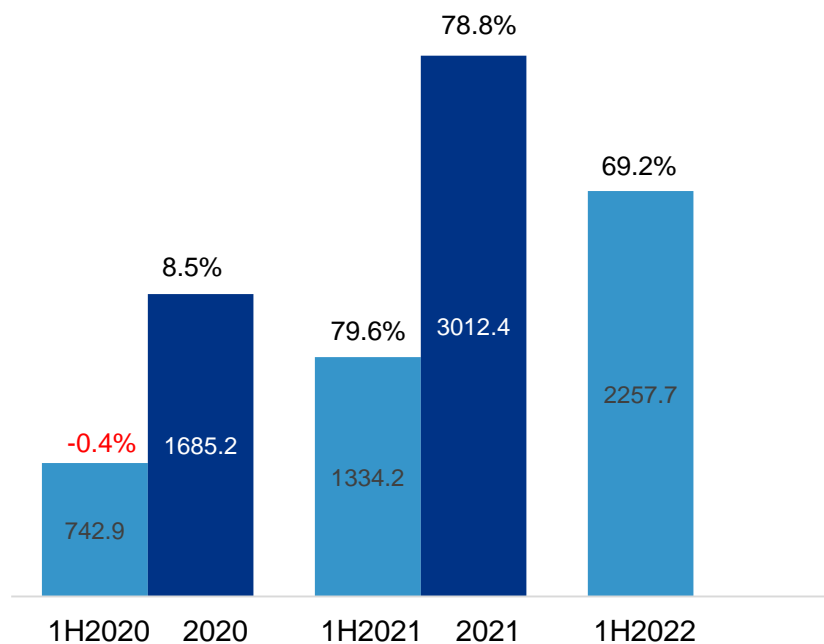
# Segment Review



Our revenue increased by 69.2% in 1H2022 compared to 1H2021, gross profit margin climbed from 41.8% in 1H2021 to 53.3% in 1H2022.

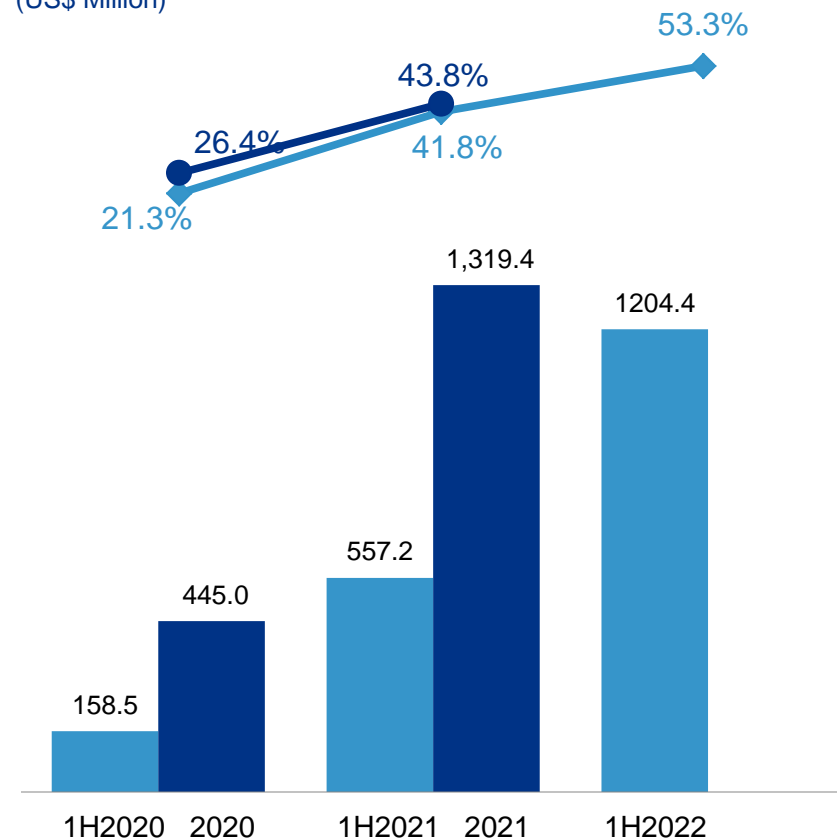
## Revenue and Year-on-year growth rate

(US\$ Million)



## Gross Profit and Gross Profit Margin

(US\$ Million)





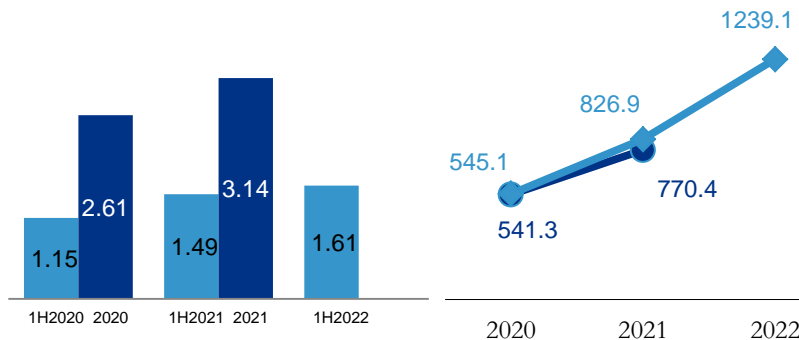
# Container Shipping and Logistics: Overview



## Container Shipping Volume and Avg. Freight Rate

Container Shipping Vol.  
(TEU million)

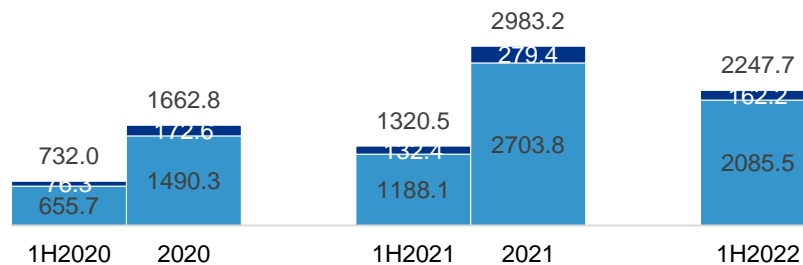
Average Freight Rate  
(US\$/TEU)



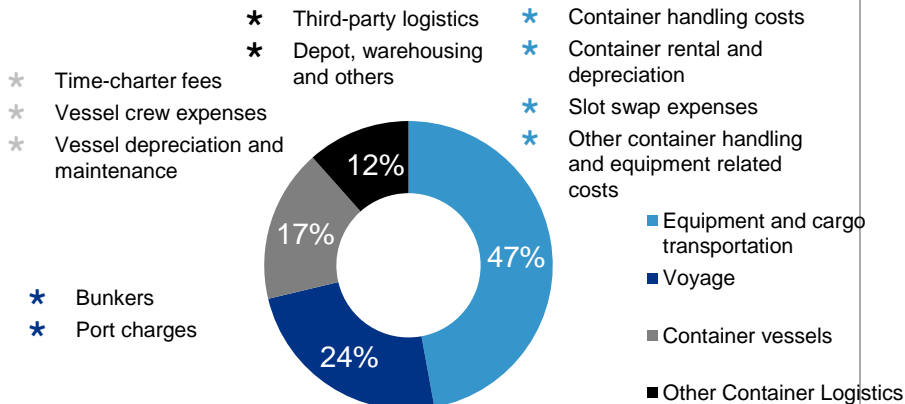
## Revenue

(US\$ million)

■ Other container shipping logistics

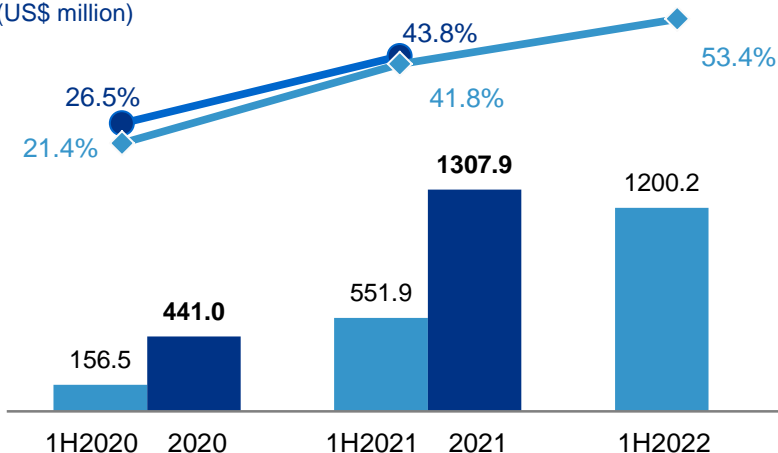


## Cost of Sales Breakdown

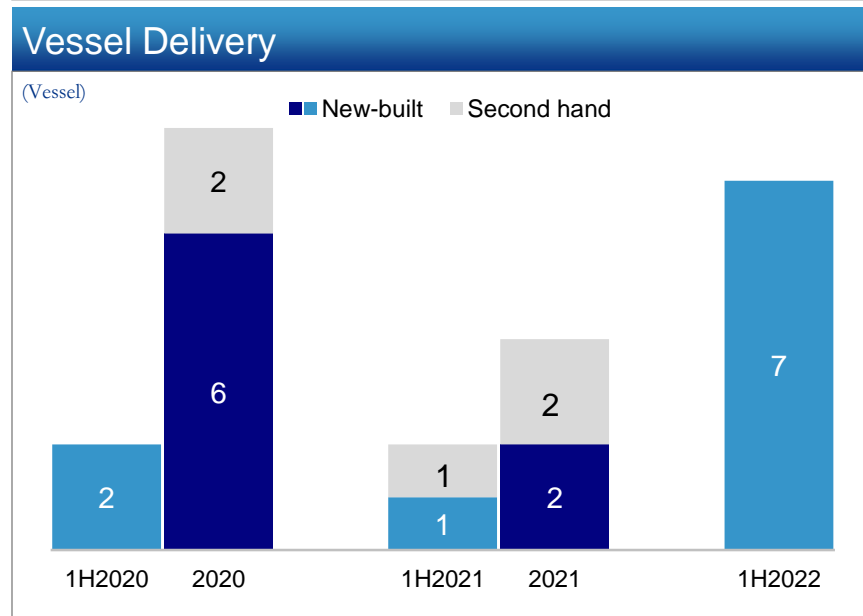
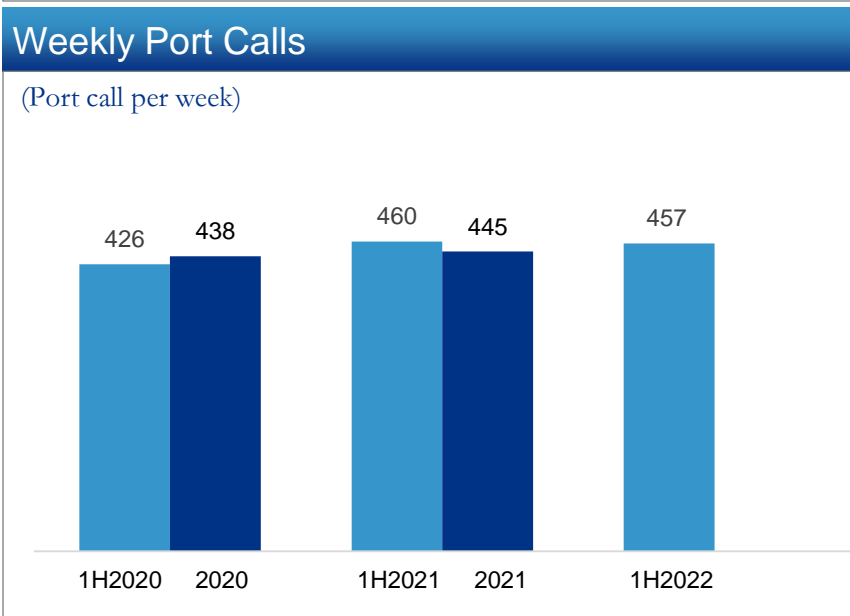
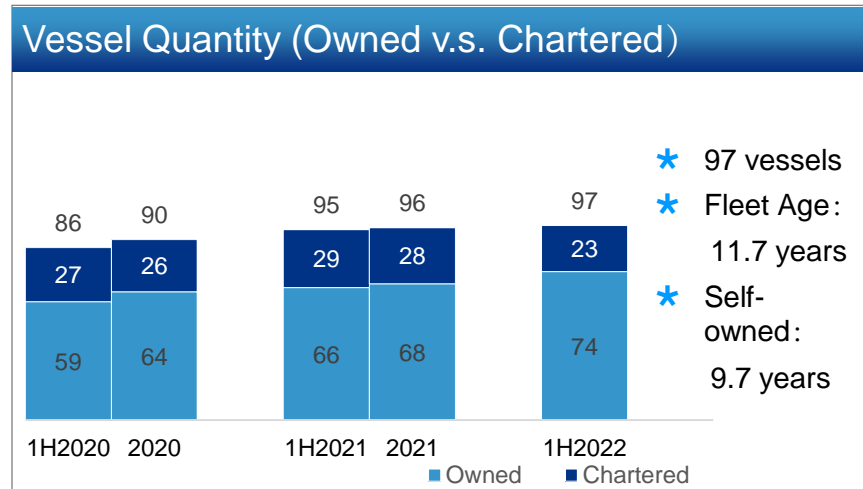
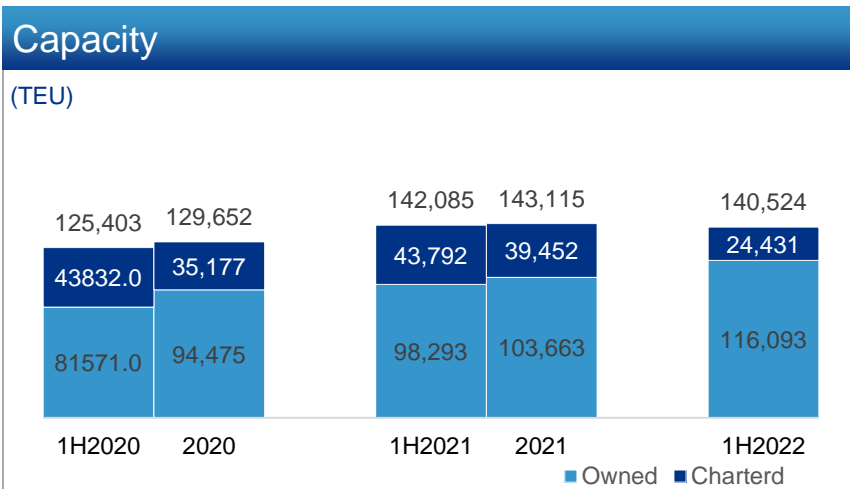


## Gross Profit and Gross Profit Margin

(US\$ million)



# Container Shipping and Logistics: Fleet

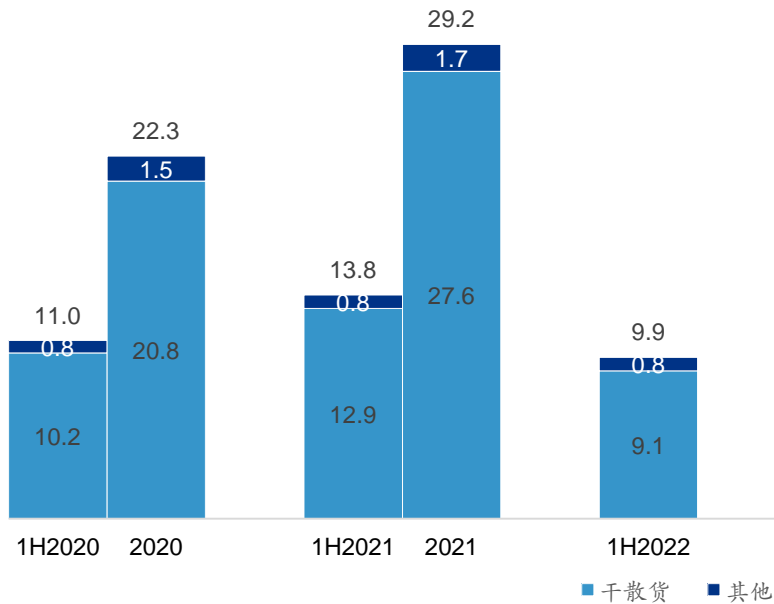


# Dry Bulk and Others: Overview



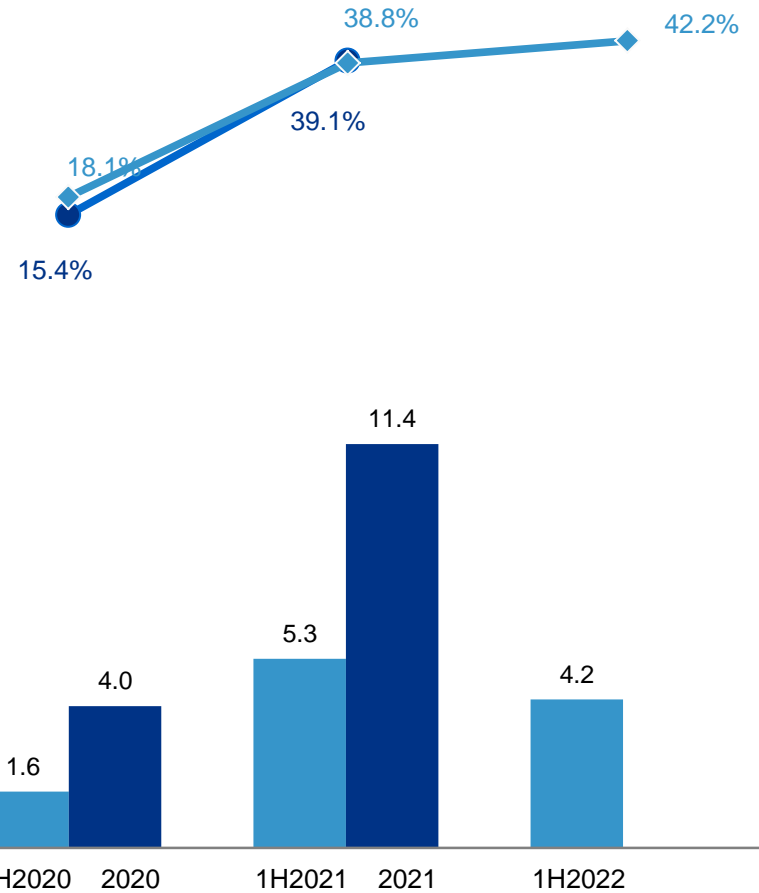
## Revenue

(US\$ Million)



## Gross Profit and Gross Profit Margin

(US\$ Million)



Note: Dry Bulk Fleet Fully Sold



### 3. Financial Overview

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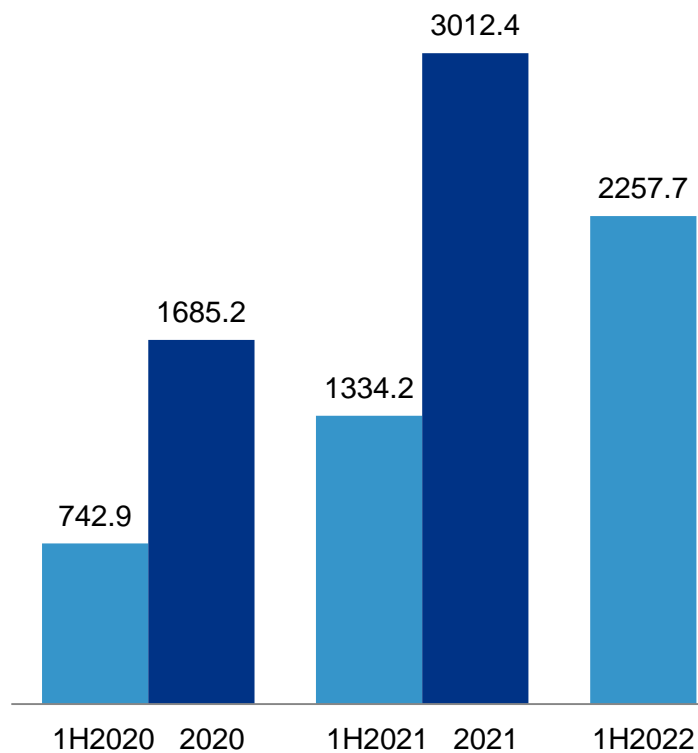


# Financial Overview



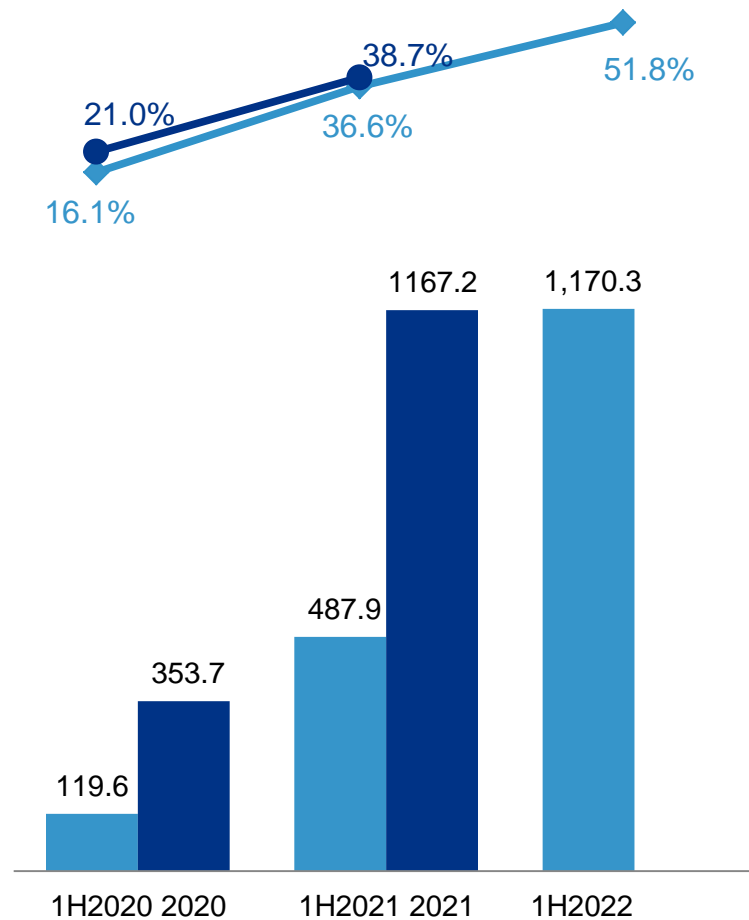
## Revenue

(US\$ million)

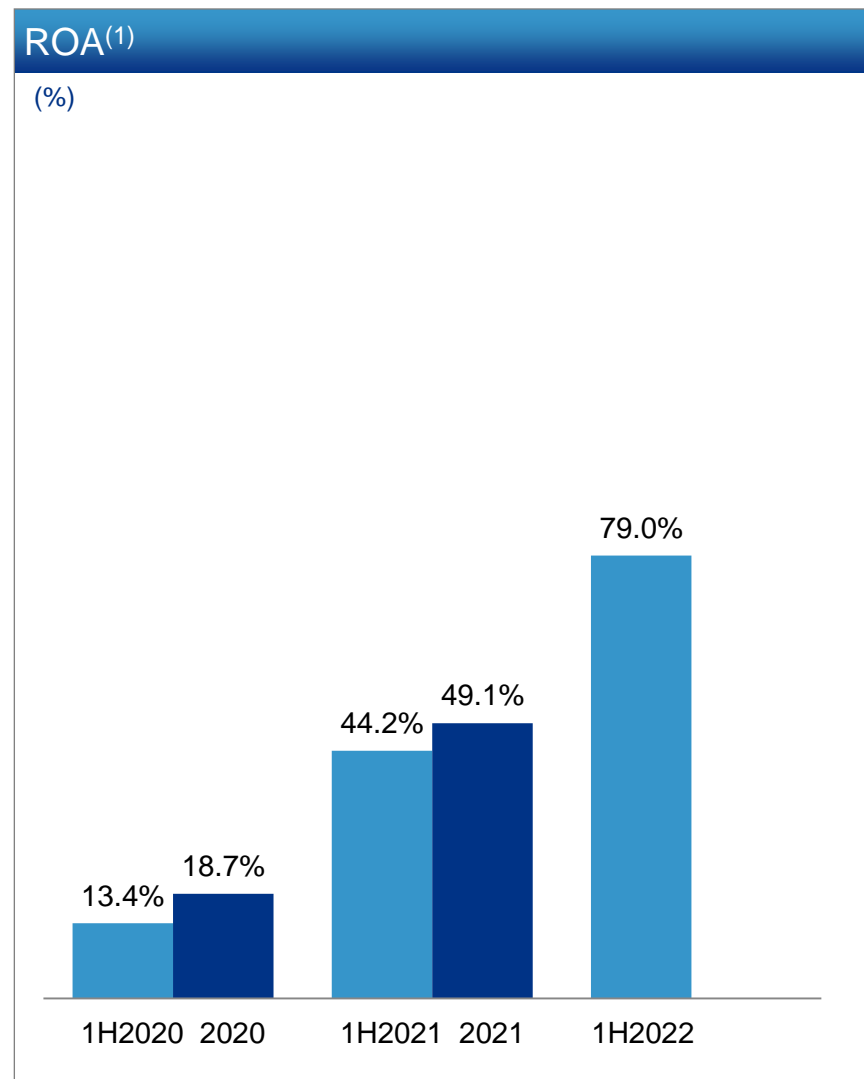
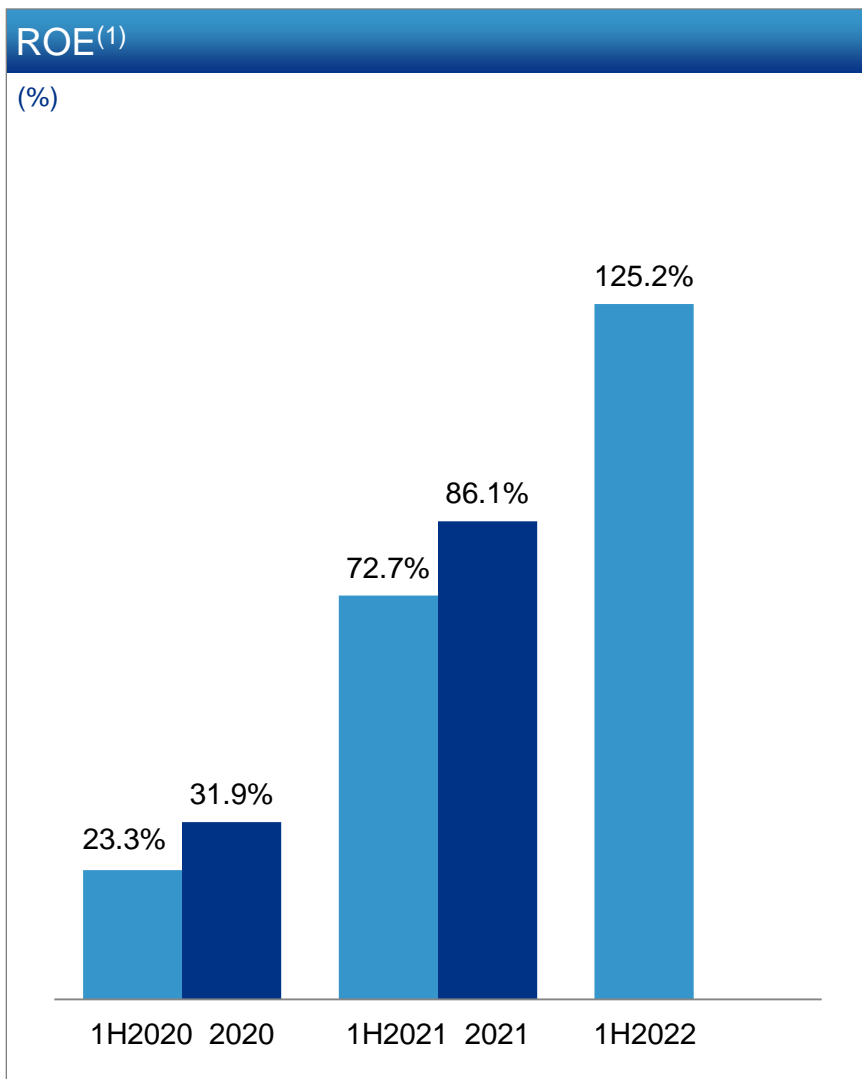


## Net Profit and Net Profit Margin

(US\$ million)



# Return Analysis

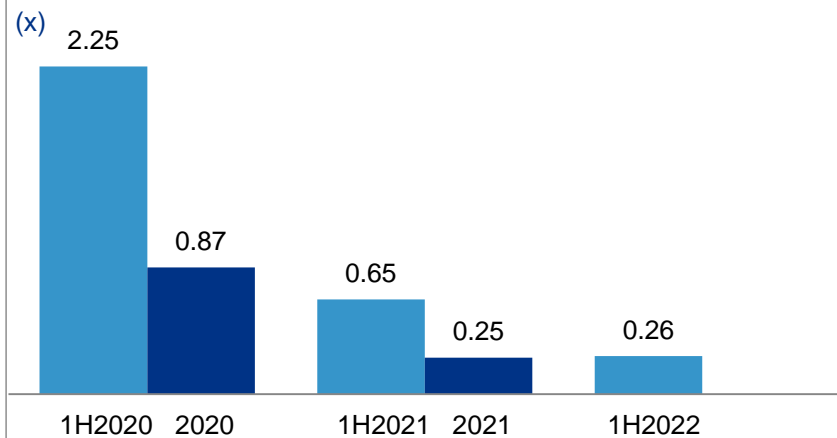


(1) These ratios are annualized

# Credit Overview

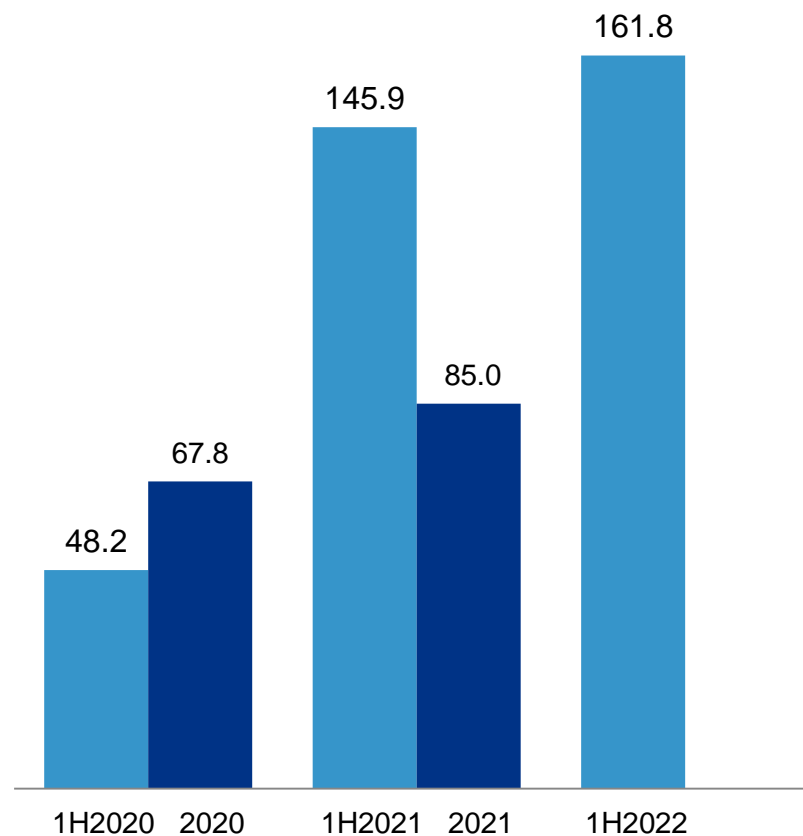


## Interest-Bearing Bank Borrowings<sup>(1)</sup> / EBITDA<sup>(1)</sup>

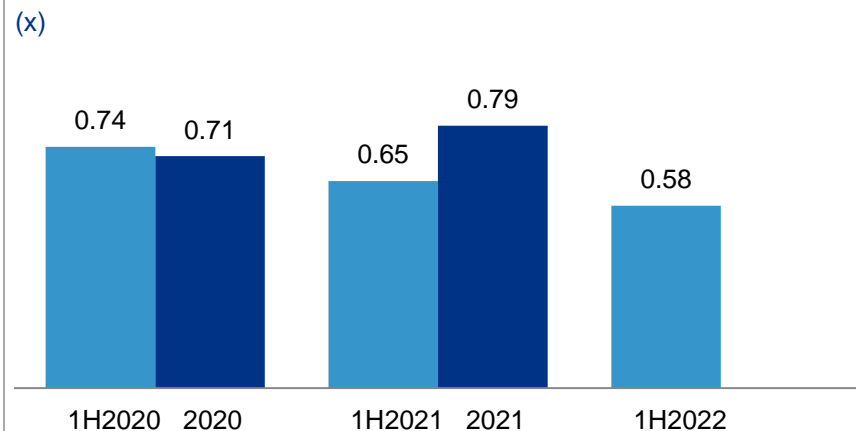


## Interest Coverage<sup>(1)</sup>

EBITDA / Interest Expense (x)



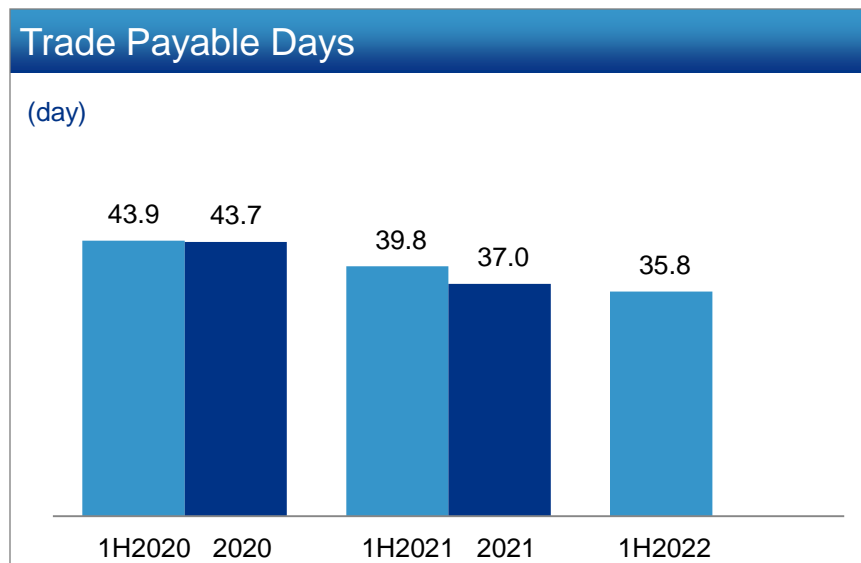
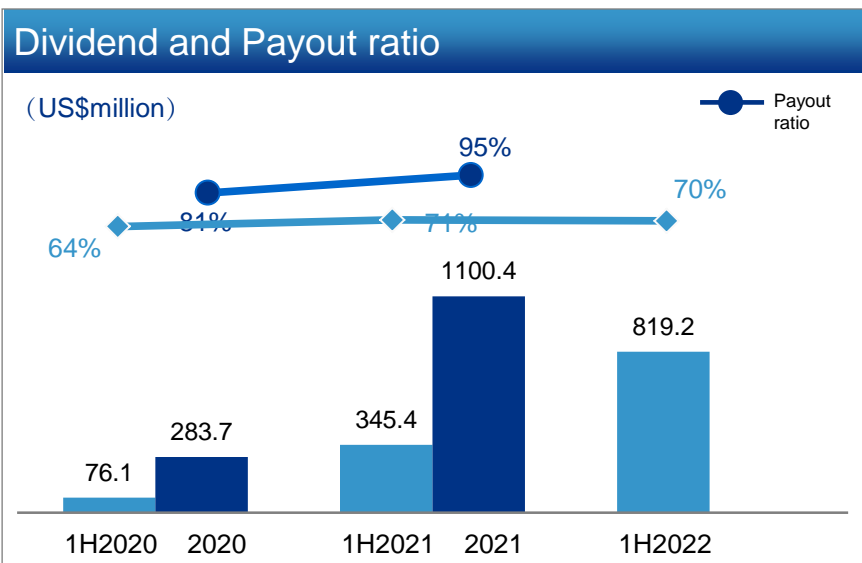
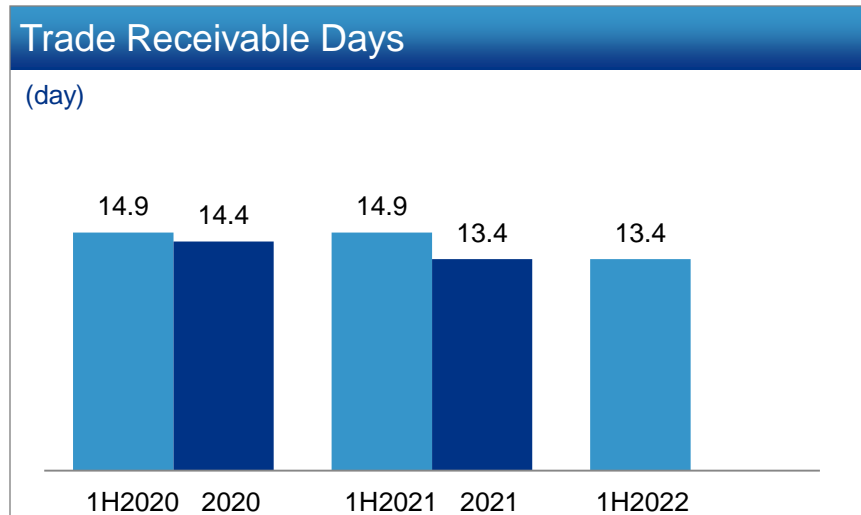
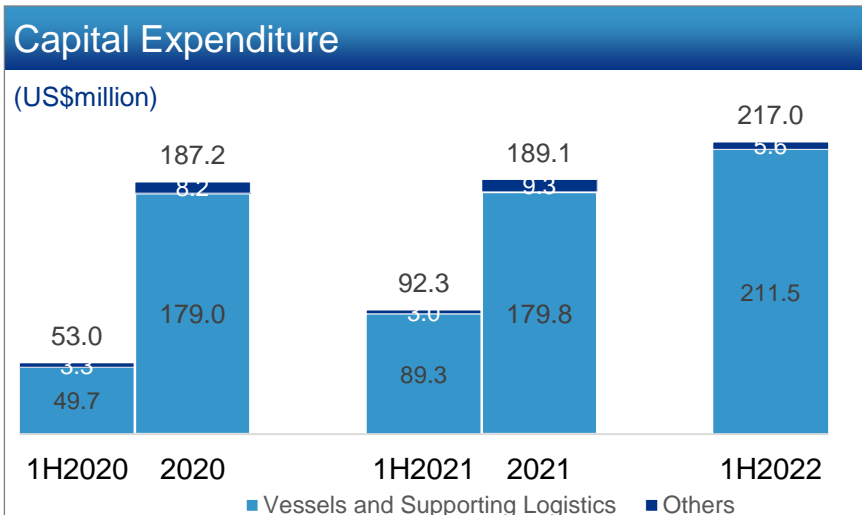
## Total Liabilities / Shareholders' Equity<sup>(1)</sup>



Note:

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

# Cash Flow Overview





# Income Statement Summary



US\$'000	1H2022	1H2021	Variance
Revenue	2,257,663	1,334,237	69.2%
Cost of Sales	(1,053,244)	(777,016)	35.5%
<b>Gross Profit</b>	<b>1,204,419</b>	<b>557,221</b>	<b>116.1%</b>
Other Income and Gains, net	53,284	8,859	501.5%
Administrative Expenses	(79,214)	(66,446)	19.2%
Other Expenses, net	(1,183)	(2,479)	-52.3%
Finance Costs	(7,780)	(7,850)	-0.9%
Share of Profits and Losses of Associates and Joint Ventures	11,759	7,139	64.7%
<b>Profit Before Tax</b>	<b>1,181,285</b>	<b>496,444</b>	<b>137.9%</b>
Income Tax	(11,003)	(8,523)	29.1%
<b>Profit For The Year</b>	<b>1,170,282</b>	<b>487,921</b>	<b>139.9%</b>

# Balance Sheet Summary



US\$'000	30 Jun 2022	31 Dec 2021	Variance
Cash and cash equivalents	1,213,557	951,586	27.5%
Trade receivables	236,000	157,038	50.3%
Property, plant, equipment & their prepayments	1,305,494	1,232,856	5.9%
Right of use asset	236,248	233,189	1.3%
Investment in JV and Associates	68,704	60,423	13.7%
Other assets	149,584	81,331	83.9%
<b>Total assets</b>	<b>3,209,587</b>	<b>2,716,423</b>	<b>18.2%</b>
Trade payables	273,272	201,857	35.4%
Interest-bearing bank borrowings	331,537	327,271	1.3%
Lease liability	224,886	219,396	2.5%
Other liabilities	155,556	452,215	-65.6%
Equity attributable to owners of the parents	2,208,951	1,501,687	47.1%
Non-controlling interests	15,385	13,997	9.9%
<b>Total liabilities and equity</b>	<b>3,209,587</b>	<b>2,716,423</b>	<b>18.2%</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.



- 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.
- 1992** \* 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 July 2022, Alphaliner

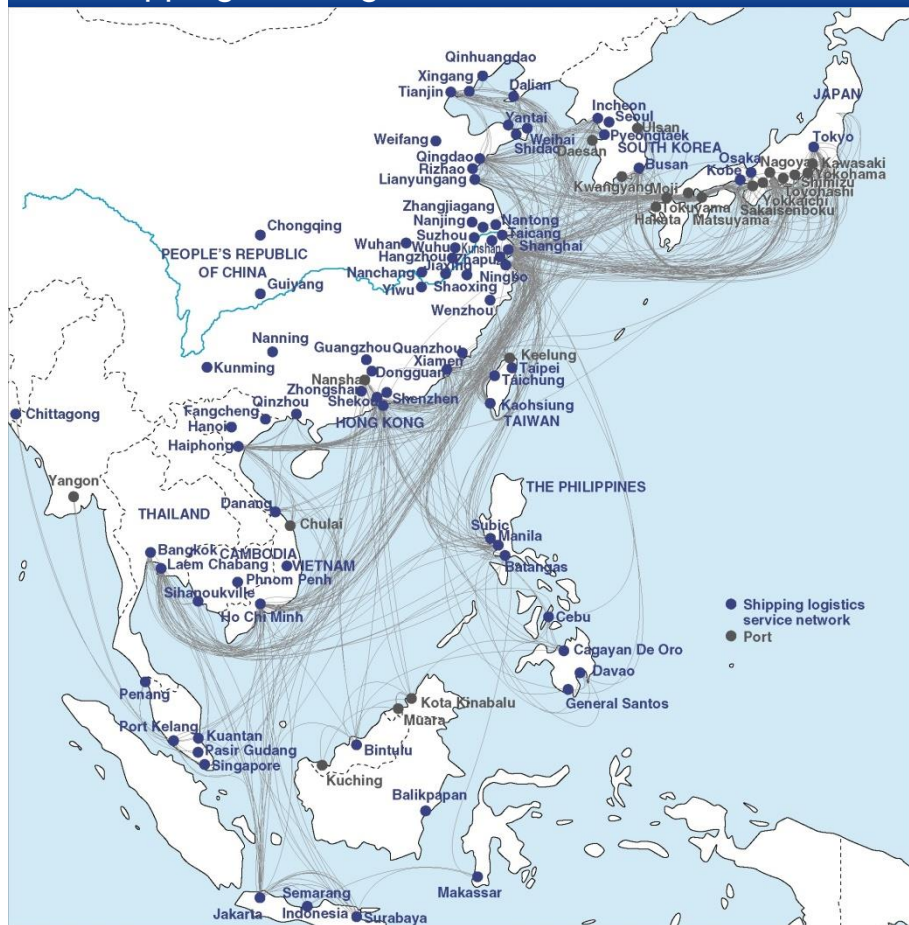


# Container Shipping and Logistics: Network



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 16 countries and regions, 75 major ports and 77 trade routes
- Operate, including joint ventures, approximately 1,466,249 m<sup>2</sup> of depot and 143,701 m<sup>2</sup> of warehousing space
- Wide range of scheduling options for customers

### \* High Frequency

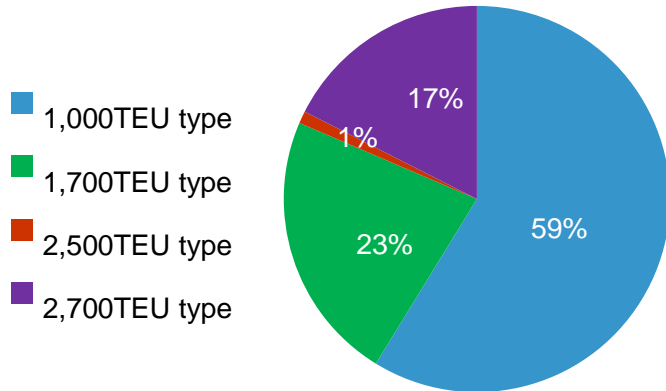
- Own one of the highest service frequencies in Asia
- 457 port calls per week
- Higher flexibility in scheduling for customers

# 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.

## 57 of 97 Vessels are 1,000 TEU Type

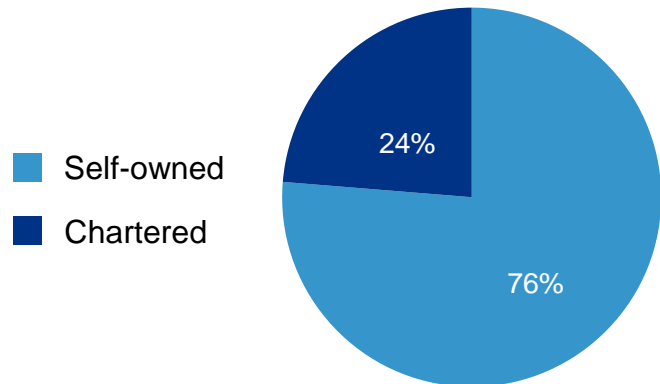


- \* Small vessel best suits our business model in terms of space utilization, operating efficiency and speed

- \* 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

## 74 of 97 Vessels are self-owned



- \* Young fleet with average age of 11.7 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