

SITC International Holdings Company Limited

(Stock Code: HK1308)

August 2022











Disclaimer











This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of SITC International Holdings Company Limited (the "Company") in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Specifically, this document does not constitute a "prospectus" within the meaning of the U.S. Securities Act of 1933 or the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended. Any decision to purchase securities in the Company shall only be made at your own assessment of the market and the market position of the Company and at your own risk. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

This document has been prepared by the Company solely for the reference of the shareholders and investors. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The information contained in this document should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the document. These materials do not contain all of the relevant information relating to the Company or its securities. None of the Company or any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith. The Company may alter, modify or otherwise change in any manner the content of this document, without obligation to notify any person of such revision or changes.

Any information on the past performance of the Company is not necessarily indicative of its future performance. This document contains statements that constitute forward-looking statements that are based on current assumptions and beliefs as well as information currently available to the Company. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," "intends," or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ significantly from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.





1 1H2022 Highlights

2 Operational Review

3 Financial Overview

4 Company Overview



1. 1H2022 Highlights











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" ecommerce 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







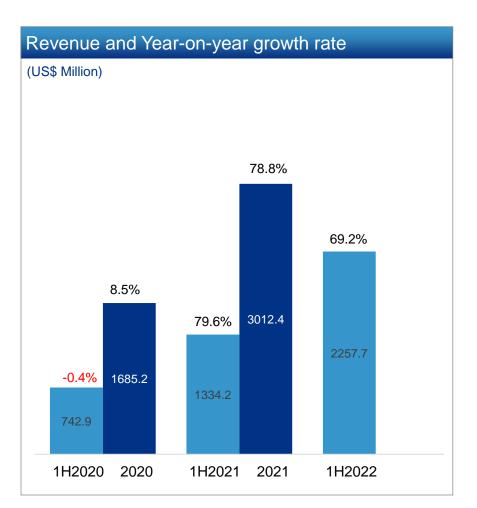


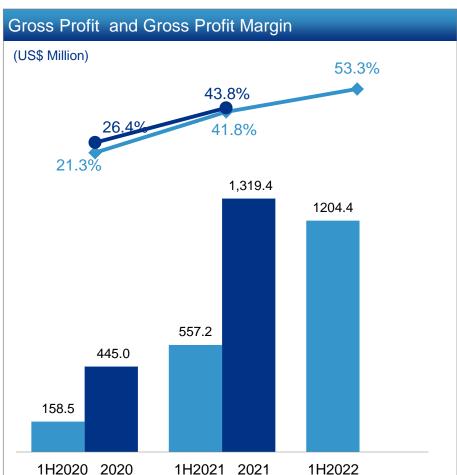


Segment Review



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.

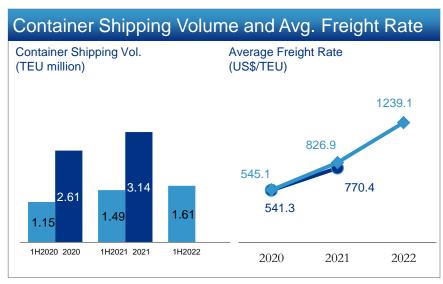


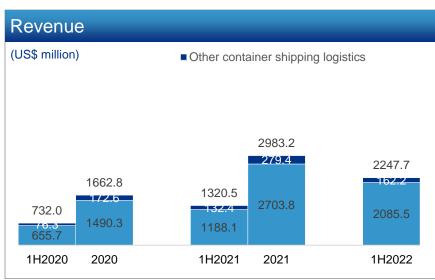


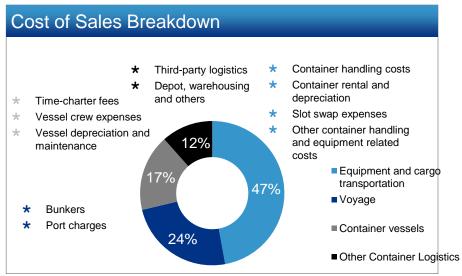


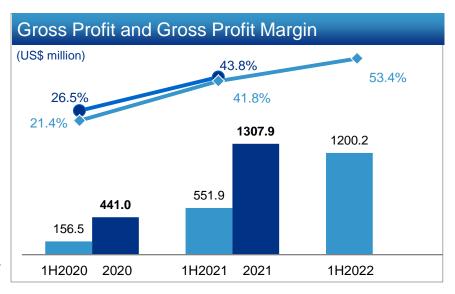
Container Shipping and Logistics: Overview











Container Shipping and Logistics: Fleet



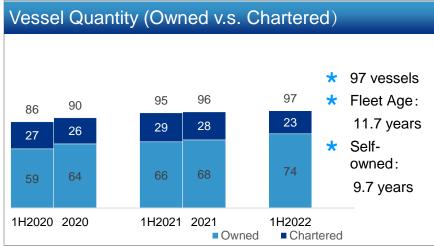


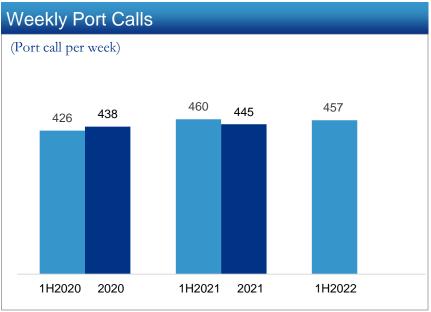


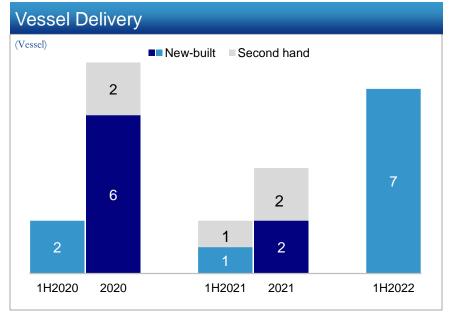






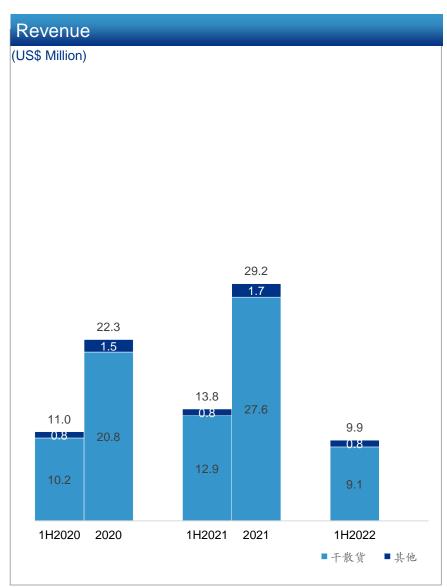


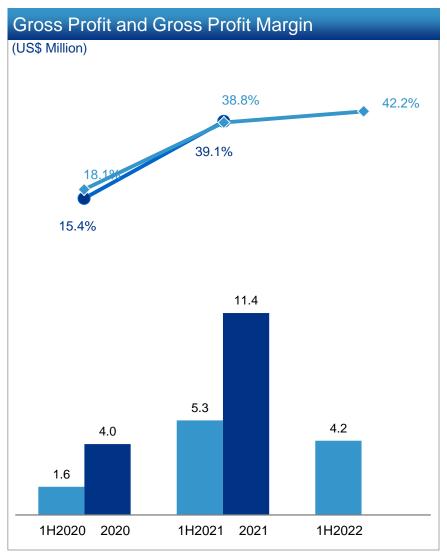




Dry Bulk and Others: Overview







Note: Dry Bulk Fleet Fully Sold



3. Financial Overview





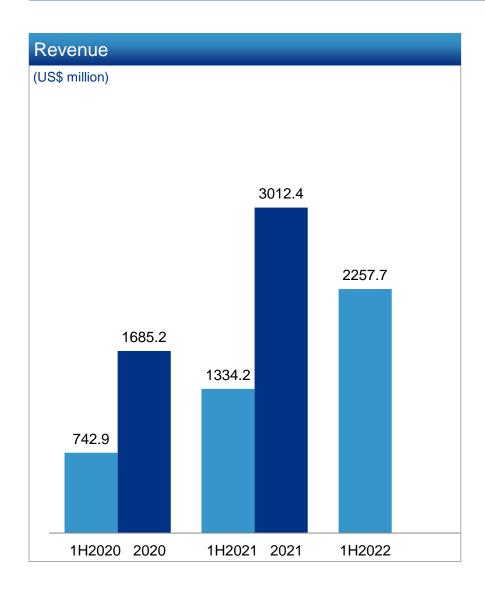


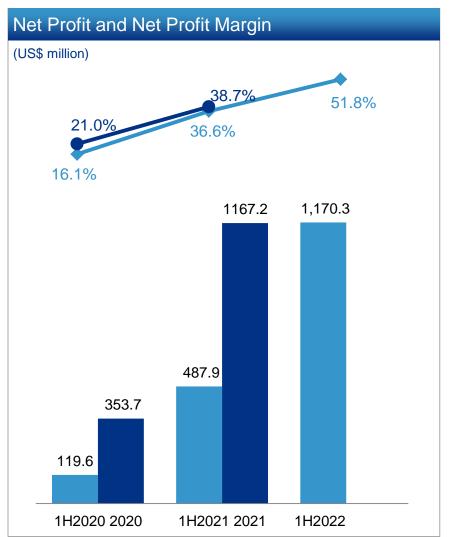




Financial Overview







Return Analysis

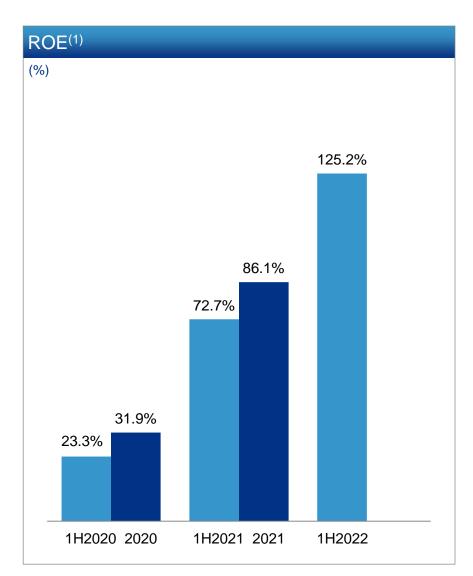


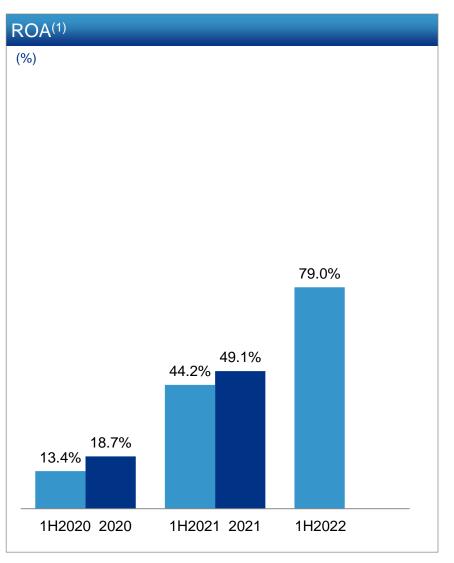














⁽¹⁾ These ratios are annualized

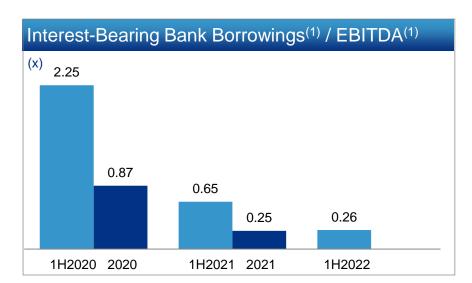




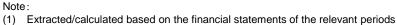


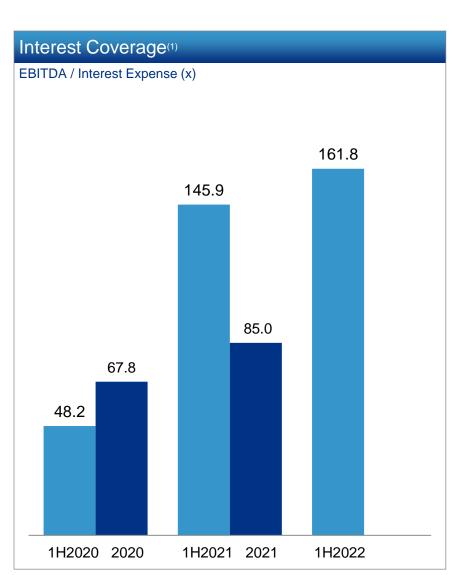














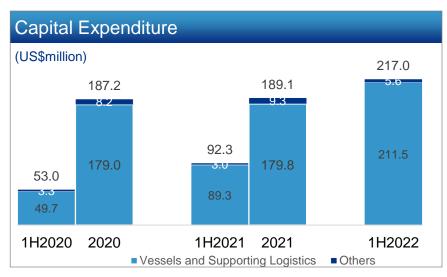
Cash Flow Overview

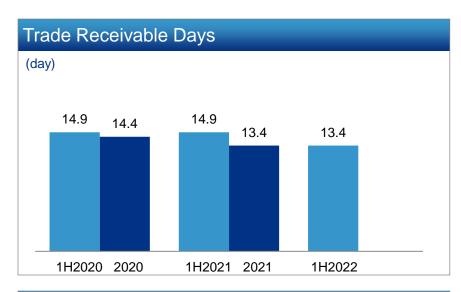




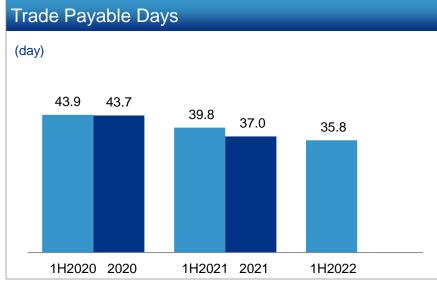












Income Statement Summary



| US\$'000 | 1H2022 | 1H2021 | Variance |
|--|-------------|-----------|----------|
| Revenue | 2,257,663 | 1,334,237 | 69.2% |
| Cost of Sales | (1,053,244) | (777,016) | 35.5% |
| Gross Profit | 1,204,419 | 557,221 | 116.1% |
| 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% |
| Profit Before Tax | 1,181,285 | 496,444 | 137.9% |
| Income Tax | (11,003) | (8,523) | 29.1% |
| Profit For The Year | 1,170,282 | 487,921 | 139.9% |

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% |
| Total assets | 3,209,587 | 2,716,423 | 18.2% |
| 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% |
| Total liabilities and equity | 3,209,587 | 2,716,423 | 18.2% |





4. Company Overview











Our Corporate Milestones











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













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



* 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 m² of depot and
 143,701 m² of warehousing space
- Wide range of scheduling options for customers

* High Frequency

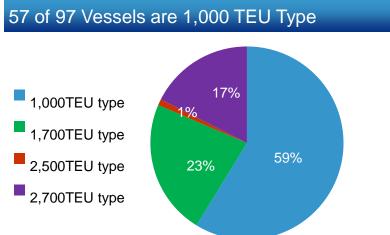
- Own one of the highest service frequencies in Asia
- 457 port calls per week
- Higher flexibility in scheduling for customers

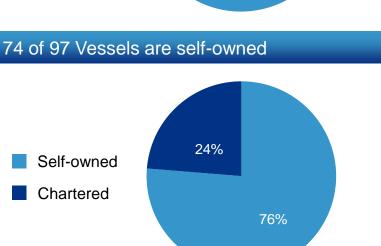


Single-Typed, Flexible Fleet Drives Our Network Driven Model



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





- 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
- 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.



Business Strategy



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

