



SITC

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

2024 Interim Report

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Corporate Information

DIRECTORS

Executive Directors

YANG Xianxiang (*Chairman*)
XUE Mingyuan (*Chief Executive Officer*)
LIU Kecheng
LAI Zhiyong

Non-Executive Director

YANG Xin (*Vice-Chairman*)

Independent Non-Executive Directors

TSE Siu Ngan (*Chief Independent
Non-Executive Director*)
LIU Ka Ying, Rebecca
HU Mantian (Mandy)

BOARD COMMITTEES

Audit Committee

LIU Ka Ying, Rebecca (*Chairman*)
TSE Siu Ngan
HU Mantian (Mandy)

Remuneration Committee

TSE Siu Ngan (*Chairman*)
YANG Xianxiang
YANG Xin
LIU Ka Ying, Rebecca
HU Mantian (Mandy)

Nomination Committee

HU Mantian (Mandy) (*Chairman*)
YANG Xianxiang
YANG Xin
TSE Siu Ngan
LIU Ka Ying, Rebecca

Risk Management Committee

TSE Siu Ngan (*Chairman*)
XUE Mingyuan
LIU Kecheng
LIU Ka Ying, Rebecca
HU Mantian (Mandy)

Disclosure Committee

XUE Mingyuan (*Chairman*)
LIU Kecheng
LAI Zhiyong

Sustainable Development Committee

XUE Mingyuan (*Chairman*)
LIU Kecheng
LAI Zhiyong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEADQUARTER

31/F, Shui On Centre
6-8 Harbour Road,
Wan Chai
Hong Kong

AUTHORIZED REPRESENTATIVES

LIU Kecheng
XUE Peng

COMPANY SECRETARY

XUE Peng (*FCG, HKFCG*)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Royal Bank House – 3rd Floor,
24 Shedden Road, P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
(the **"Stock Exchange"**)

NAME OF STOCK

SITC International Holdings
Company Limited
(**"SITC"** or the **"Company"**)

STOCK CODE

01308

PRINCIPAL BANKERS (by alphabetical order)

ANZ Bank
Bank of China
Bank of China (Hong Kong) Limited
China Merchants Bank
Citibank, N.A
Standard Chartered Bank
(Hong Kong) Limited
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking
Corporation Limited

AUDITORS

Ernst & Young

LEGAL ADVISORS

As to Hong Kong law:

Sidley Austin
Level 39, Two International Finance
Centre
8 Finance Street
Central
Hong Kong

As to Cayman Islands law:

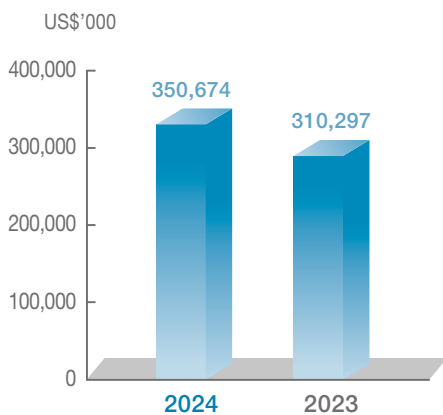
Conyers Dill & Pearnan
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

WEBSITE

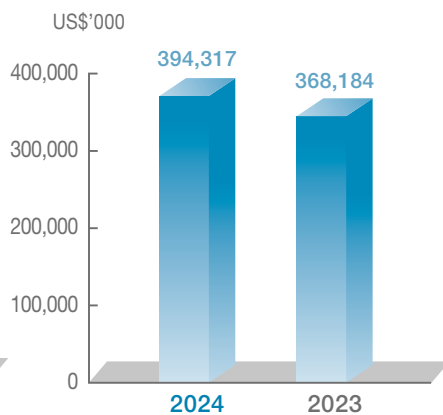
www.sitc.com

Financial and Operating Highlights

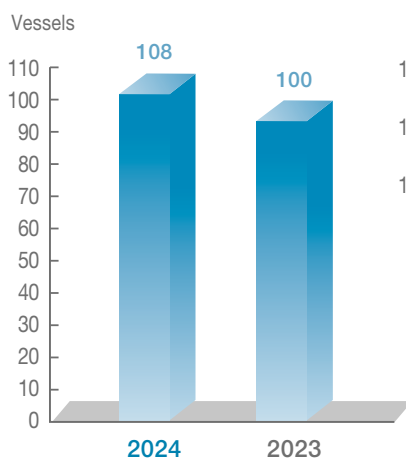
**Profit attributable to shareholders
of the Company for the
six months ended 30 June**



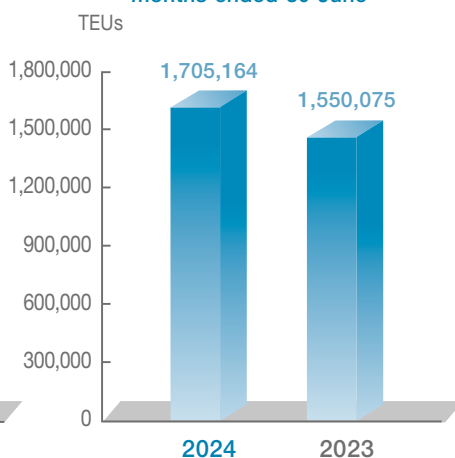
**Net cash flows from operating
activities for the six months
ended 30 June**



**Number of operating container
vessels as at 30 June**



**Container shipping volume of
container shipping and supporting
logistics business for the six
months ended 30 June**



Management Discussion and Analysis

OVERVIEW

SITC is one of Asia's leading shipping logistics companies that provides integrated transportation and logistics solutions.

Business Review

The business of the Company and its subsidiaries (collectively, the “**Group**”) covers integrated shipping logistics services, such as the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services. During the six months ended 30 June 2024, the Group's business continued to provide container transportation and integrated logistics services that focus exclusively on the Asian market, as the Company believes that the Asian market will continue to experience healthy growth.

As of 30 June 2024, the Group operated 78 trade lanes, including 15 trade lanes through joint services and 26 trade lanes through container slot exchange arrangements. These trade lanes and land-based integrated logistics business network covered 84 major ports in various countries and regions including the Chinese Mainland, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei, Bengal, Myanmar and India. As of 30 June 2024, the Group operated a fleet of 108 vessels with a total capacity of 170,380 TEU, comprised of 99 self-owned (160,270 TEU) and 9 chartered vessels (10,110 TEU), with an average age of 9.2 years. Of these 108 vessels, 84 were of less than 2,000 TEU, and 24 were of 2,000 TEU to 3,000 TEU. For the six months ended 30 June 2024, US\$105.1 million out of US\$130.2 million of paid out capital expenditure was attributable to vessel purchases. In addition, the Group also operated (including through joint ventures) approximately 1,897,000 m² of depot and 156,000 m² of warehousing space.

Management Discussion and Analysis

Revenue of the Group for the first half of 2024 increased by approximately 3.8% from approximately US\$1,253.4 million for the six months ended 30 June 2023 to approximately US\$1,300.5 million for the six months ended 30 June 2024. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 10.0% from 1,550,075 TEUs for the six months ended 30 June 2023 to 1,705,164 TEUs for the six months ended 30 June 2024; and (ii) average freight rate (excluding slot exchange fee income) decreased by approximately 5.3% from US\$667.5/TEU for the six months ended 30 June 2023 to US\$632.4/TEU for the six months ended 30 June 2024.

The Group will continue to optimize its unique operation model, expand its service coverage, increase the voyage frequency and direct route service of its lanes, and extend the sea-land integrated service value chain to meet customer's demand for supply chain management and position itself as the preferred choice for quality customers. At the same time, the Group will constantly optimize its own fleet structure to secure a long-term cost-competitive position and reduce hazardous gas emissions. Focusing efficiency improvement on asset turnover and utilization efficiency, the Group will continue to improve its organization process and information technology systems, and strive for the goal in becoming a world-class integrated logistics service solutions provider.

Management Discussion and Analysis

Financial Overview

	For the six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Revenue	1,300,521	1,253,379
Container shipping and supporting logistics income	1,160,241	1,142,527
Other container logistics income	139,202	109,655
Other income	1,078	1,197
Cost of sales	(897,906)	(921,201)
Equipment and cargos transportation costs	(458,622)	(467,477)
Voyage costs	(204,713)	(209,038)
Container shipping vessels cost	(122,149)	(163,193)
Other container logistics costs	(112,066)	(81,021)
Other costs	(356)	(472)
Gross profit	402,615	332,178
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	7,832	38,885
Administrative expenses	(63,824)	(63,981)
Share of profits of:		
Joint ventures	10,491	10,027
Associates	612	153
Other expenses, net	(399)	(4,402)
Segment results	357,327	312,860
Finance costs	(7,345)	(10,511)
Bank interest, other investment income and fair value gain on a financial asset	12,396	19,892
Profit before tax	362,378	322,241
Income tax	(9,532)	(9,561)
Profit for the period	352,846	312,680
Profit attributable to:		
Shareholders of the Company	350,674	310,297
Non-controlling interests	2,172	2,383
	352,846	312,680

Management Discussion and Analysis

The following table sets forth the number of trade lanes and port calls per week of the Group as at 30 June 2023 and 2024, and the average freight rate for the six months ended 30 June 2023 and 2024:

Six months ended 30 June		As of 30 June			
2024	2023	2024	2023	2024	2023
Average freight rate (US\$ per TEU, excluding slot exchange rate)		Number of trade lanes		Port calls per week	
632.4	667.5	78	72	475	443

Revenue

The Group's total revenue increased by approximately 3.8% from approximately US\$1,253.4 million for the six months ended 30 June 2023 to approximately US\$1,300.5 million for the corresponding period in 2024. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 10.0% from 1,550,075 TEUs for the six months ended 30 June 2023 to 1,705,164 TEUs for the corresponding period in 2024; and (ii) average freight rate (excluding slot exchange fee income) decreased by approximately 5.3% from US\$667.5/TEU for the six months ended 30 June 2023 to US\$632.4/TEU for the corresponding period in 2024.

Cost of Sales

The Group's cost of sales decreased by approximately 2.5% from approximately US\$921.2 million for the six months ended 30 June 2023 to approximately US\$897.9 million for the corresponding period in 2024. The decrease was primarily attributable to the decrease in chartering vessel costs of approximately US\$34.2 million due to the combined effect of the decrease in the number of vessels chartered and the decrease in vessel charter rates.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the gross profit increased from approximately US\$332.2 million for the six months ended 30 June 2023 to approximately US\$402.6 million for the six months ended 30 June 2024. The Group's gross profit margin increased from approximately 26.5% for the six months ended 30 June 2023 to approximately 31.0% for the corresponding period in 2024.

Other Income and Gains (excluding bank interest income, other investment income and fair value gain on a financial asset)

For the six months ended 30 June 2024, other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) decreased by approximately US\$31.1 million from approximately US\$38.9 million for the six months ended 30 June 2023 to approximately US\$7.8 million for the corresponding period in 2024. The decrease was a result of a combined effect, reflecting (i) the gains on disposal of vessels of approximately US\$3.4 million from the disposal of 1 container vessel during the first half of 2024, as compared to approximately US\$22.1 million from the disposal of 4 container vessels for the corresponding period in 2023; (ii) a year-on-year decrease of approximately US\$7.9 million in the fair value gains on derivative instruments; and (iii) a year-on-year decrease of approximately US\$3.4 million in foreign exchange gain.

Bank Interest Income, Other Investment Income and Fair Value Gain on a Financial Asset

The Group's bank interest income, other investment income, and fair value gain on a financial asset was approximately US\$12.4 million and US\$19.9 million for the six months ended 30 June 2024 and 2023, respectively. The decrease was primarily attributable to the decrease in average deposit balances compared to last year.

Administrative Expenses

The Group's administrative expenses decreased from approximately US\$64.0 million for the six months ended 30 June 2023 to approximately US\$63.8 million for the corresponding period in 2024, representing a decrease of approximately 0.2%. There was no material change in the amount.

Other Expenses, net

The Group's other expenses, net were approximately US\$0.4 million and US\$4.4 million for the six months ended 30 June 2024 and 2023, respectively. The decrease was mainly attributable to the non-recurring provision for litigation of approximately US\$3.5 million for the six months ended 30 June 2023.

Management Discussion and Analysis

Finance Costs

The Group's finance costs decreased from approximately US\$10.5 million for the six months ended 30 June 2023 to approximately US\$7.3 million for the six months ended 30 June 2024. The decrease was primarily attributable to the decrease in the average amount of the borrowings.

Share of Profits of Joint Ventures

The Group's share of profits of joint ventures increased by approximately 4.6% from approximately US\$10.0 million for the six months ended 30 June 2023 to approximately US\$10.5 million in for the six months ended 30 June 2024. The increase was mainly attributable to the growth in the profits of part of the jointly controlled depots.

Share of Profits of Associates

The Group's share of profits of associates was approximately US\$0.6 million and US\$0.2 million for the six months ended 30 June 2024 and 2023, respectively. There was no material change in the amount.

Profit before Tax

As a result of the foregoing, the Group's profit before tax increased from approximately US\$322.2 million for the six months ended 30 June 2023 to approximately US\$362.4 million for the corresponding period in 2024.

Income Tax Expenses

The Group's income tax expense was approximately US\$9.5 million and US\$9.6 million for the six months ended 30 June 2024 and 2023, respectively. There was no material change in the amount.

Profit for the Period

The Group's profit for the six months ended 30 June 2024 was approximately US\$352.8 million, representing an increase of approximately 12.8% over the profit of approximately US\$312.7 million for the corresponding period in 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Total assets of the Group increased by approximately 7.4% from approximately US\$2,652.5 million as at 31 December 2023 to approximately US\$2,850.0 million as at 30 June 2024. As at 30 June 2024, the Group had cash and cash equivalents amounting to approximately US\$507.5 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group increased by approximately 1.7% from approximately US\$721.4 million as at 31 December 2023 to approximately US\$733.7 million as at 30 June 2024. At 30 June 2024, the Group had secured interest-bearing bank loans of approximately US\$142.9 million. The maturity profile is spread over a period, with approximately US\$84.9 million repayable within one year or on demand, approximately US\$13.0 million within the second year, approximately US\$45.0 million within the third to fifth years.

Further, the Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As at 30 June 2024, the Group had no foreign exchange hedging instruments (31 December 2023: nil) of its foreign currency sales.

As at 30 June 2024, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 1.5 compared to that of 1.2 as at 31 December 2023. The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. Net debt includes interest-bearing bank borrowings, trade and other payables, accruals, amounts due to related companies, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent less the hedging reserve. The Group's gearing ratio was 9.5% and 13.4% as at 30 June 2024 and 31 December 2023, respectively.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no significant contingent liabilities (31 December 2023: nil).

CHARGE ON ASSETS

As at 30 June 2024, the Group's bank loans were secured by mortgages over the Group's vessels and land which had an aggregate carrying value at the end of the reporting period of approximately US\$227.5 million (31 December 2023: US\$232.6 million) and US\$9.1 million (31 December 2023: US\$9.8 million), respectively.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had an aggregate of 2,132 full-time employees (excluding crew member, 30 June 2023: 2,093). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$97.4 million (30 June 2023: US\$102.2 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees (including the directors) with reference to corporate performance, individual performance and current market salary scale. Further, the Company has adopted a new share scheme on 26 April 2024 (the **"Share Scheme"**) to provide incentive to eligible participants in order to promote the development and success of the business of the Group. Further information of the Company's share schemes are set out in the section headed "Share Schemes" in this report.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2024, a total of 2 new container vessels and 1 second-hand new container vessel were delivered. Furthermore, the Group entered into shipbuilding contracts with an independent third party for the building of 4 container vessels.

For the six months ended 30 June 2024, the Group disposed of and delivered a total of 1 old container vessel.

Save as disclosed above, the Group did not have other significant investments, material acquisitions or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to purchase container vessels and containers, and invest in logistics projects, as and when appropriate. The Group expects that the internal financial resources and bank borrowings will be sufficient to meet the necessary funding requirements.

As at 30 June 2024, 6 new container vessels are expected to be delivered in the second half of 2024. Save as disclosed, the Group does not have any future plans for significant investments or capital assets as at the date of this report.

Other Information

INTERIM DIVIDEND

At the meeting of the board (the **"Board"**) of directors (the **"Directors"**) of the Company held on 21 August 2024 (Wednesday), the Board resolved to declare an interim dividend of HK72 cents (equivalent to US9.22 cents) per share of the Company (the **"Share"**) for the six months ended 30 June 2024 (six months ended 30 June 2023: HK60 cents) to shareholders of the Company (the **"Shareholders"**) whose name appear on the register of members of the Company at the close of business on 6 September 2024 (Friday). The dividend is expected to be paid on or before 20 September 2024 (Friday).

There is no arrangement that a Shareholder has waived or agreed to waive any dividends.

SHARE SCHEMES

Post-IPO Share Option Scheme

On 10 September 2010, the Company adopted a Post-IPO Share Option Scheme (the **"Post-IPO Share Option Scheme"**) whereby the Board can grant options for the subscription of the Shares to the employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group (the **"Participants"**) as described in the Post-IPO Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group.

The maximum number of Shares that can be issued according to the Post-IPO Share Option Scheme was 260,000,000 Shares. which is equivalent to 10% of the issued capital of the Company after completion of the Global Offering (as defined in the prospectus of the Company dated 20 September 2010 (the **"Prospectus"**)), representing approximately 9.69% of the issued capital of the Company as at the date of this report.

Other Information

The number of options that may be granted pursuant to the terms of the Post-IPO Share Option Scheme shall not exceed 10% of the issued Shares immediately after the completion of the Global Offering. Unless otherwise approved by the Shareholders in general meeting, the number of Shares that may be granted to the Participants under the options shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)), or the total number of Shares that may be granted under the options to the independent non-executive Directors or any of their respective connected persons shall not exceed 0.1% of the Shares in issue from time to time.

There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board, however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) nominal value of the Share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted.

The Post-IPO Share Option Scheme shall take effect from the date it was adopted and shall remain effective within a period of 10 years from that date, which has expired on 9 September 2020.

Other Information

The followings are details of the options granted pursuant to the Post-IPO Share Option Scheme but not yet exercised for the six months ended 30 June 2024:

Grantee and position	Date of grant of options	Number of options outstanding as at 1 January 2024	Number of options of granted during the period	Number of options exercised during the period	Number of options cancelled during the period	Number of options lapsed during the period	Number of options not yet exercised as at 30 June 2024
<i>Other employees</i>							
Employees of the Group (Note)	10 March 2015	718,000	–	315,000	–	–	403,000
Total		718,000	–	315,000	–	–	403,000

Note: The weighted average closing price immediately before the date on which the share options were exercised was HK\$13.9.

On 10 March 2015, the Company granted a total of 13,800,000 share options pursuant to the Post-IPO Share Option Scheme with an exercise price of HK\$4.378 per Share and shall be exercisable from 10 March 2016 to 10 March 2025. The closing price of the Shares immediately before the date of grant was HK\$4.35.

As at 30 June 2024, the Company had 403,000 share options outstanding under the Post-IPO Share Option Scheme, which represented approximately 0.01% of the Shares in issue as at the date of this report.

Share Award Scheme

A share award scheme was adopted by the Board on 13 September 2017 (the “**Share Award Scheme**”) to:

- (a) recognise and motivate the contributions by certain eligible participants, being any employee of the Company and/or any member of the Group and non-executive directors of the Company and/or any member of the Group (excluding those who have tendered his/her resignation or who have been given a notice of dismissal by the Company and/or the relevant member of the Group) and to give incentives thereto in order to retain them for the continual operation and development of the Group;
- (b) attract suitable personnel for further development of the Group; and
- (c) provide certain eligible participants with a direct economic interest in attaining a long-term relationship between the Group and certain eligible participants.

The Board shall, after having taken into regard the results and all relevant circumstances and affairs of the Group, determine from time to time the maximum amount of the fund to be contributed by the Company for purchasing Shares for the Shares pool under the Share Award Scheme. At no point in time shall the independent trustee (the “**Trustee**”) be holding more than 5% of the total number of Shares in issue under the Share Award Scheme. As at 30 June 2024, 37,225,394 Shares were held by the Trustee pursuant to the Share Award Scheme, representing approximately 1.39% of the issued Shares as at the date of this report.

There is no maximum entitlement of each selected participant under the Share Award Scheme. The Board may, from time to time, at its absolute discretion select any eligible participant(s) for participation in the Share Award Scheme as a selected participant and, subject to compliance with the Listing Rules, determine the number of Shares to be awarded.

Other Information

The Share Award Scheme does not specify a minimum vesting period or any amount payable on application or acceptance of the award. Subject to the fulfilment of all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested Shares to that selected participant at no cost.

The Share Award Scheme shall be valid and effective for a term of ten years commencing on the date of adoption (i.e. 13 September 2017), unless otherwise early terminated by the Board. The Share Award Scheme was cancelled upon the adoption of the Share Scheme by the Shareholders at the annual general meeting of the Company held on 26 April 2024.

The following are details of the awards granted or to be granted pursuant to the Share Award Scheme during the six months ended 30 June 2024:

Grantee and position	Date of grant of awards	Number of unvested awards as at 1 January 2024	Number of awards granted during the period	Number of awards vested during the period	Number of awards cancelled during the period	Number of awards lapsed during the period	Number of unvested awards as at 30 June 2024
Directors							
Yang Xianxiang	12 March 2021 ⁽¹⁾	145,902	-	145,902 ⁽⁴⁾	-	-	-
	8 March 2022 ⁽²⁾	700,000	-	-	-	-	700,000
	17 August 2023 ⁽³⁾	1,783,317	-	-	-	-	1,783,317
Xue Mingyuan	12 March 2021 ⁽¹⁾	218,854	-	218,854 ⁽⁴⁾	-	-	-
	8 March 2022 ⁽²⁾	700,000	-	-	-	-	700,000
	17 August 2023 ⁽³⁾	1,365,994	-	-	-	-	1,365,994
Liu Kecheng	12 March 2021 ⁽¹⁾	131,312	-	131,312 ⁽⁴⁾	-	-	-
	8 March 2022 ⁽²⁾	420,000	-	-	-	-	420,000
	17 August 2023 ⁽³⁾	740,450	-	-	-	-	740,450
Lai Zhiyong	12 March 2021 ⁽¹⁾	131,312	-	131,312 ⁽⁴⁾	-	-	-
	8 March 2022 ⁽²⁾	300,000	-	-	-	-	300,000
	17 August 2023 ⁽³⁾	316,210	-	-	-	-	316,210

Other Information

Grantee and position	Date of grant of awards	Number of unvested awards as at 1 January 2024	Number of awards granted during the period	Number of awards vested during the period	Number of awards cancelled during the period	Number of awards lapsed during the period	Number of unvested awards as at 30 June 2024
Yang Xin	17 August 2023 ⁽³⁾	5,000	-	-	-	-	5,000
Tse Siu Ngan	8 March 2022 ⁽²⁾	5,000	-	-	-	-	5,000
	17 August 2023 ⁽³⁾	5,000	-	-	-	-	5,000
Liu Ka Ying, Rebecca	8 March 2022 ⁽²⁾	5,000	-	-	-	-	5,000
	17 August 2023 ⁽³⁾	5,000	-	-	-	-	5,000
Hu Mantian	8 March 2022 ⁽²⁾	5,000	-	-	-	-	5,000
	17 August 2023 ⁽³⁾	5,000	-	-	-	-	5,000
		6,988,351	-	627,380	-	-	6,360,971
Other employees							
Employees							
of the Group	12 March 2021 ⁽¹⁾	4,104,926	-	4,104,926 ⁽⁴⁾	-	-	-
	8 March 2022 ⁽²⁾	10,774,931	-	-	13,458	-	10,761,473
	17 August 2023 ⁽³⁾	17,042,663	-	-	16,647	-	17,026,016
		31,922,520	-	4,104,926	30,105	-	27,787,489
Total		38,910,871	-	4,732,306	30,105	-	34,148,460

Other Information

Notes:

- (1) On 12 March 2021, an aggregate of 4,887,657 awarded Shares were granted to the selected participants. Subject to the terms of the Scheme Rules and the fulfilment of all vesting conditions specified by the Board, the awarded Shares shall be vested on 9 March 2024 or an earlier date as approved by the Board.
- (2) On 8 March 2022, an aggregate of 13,151,716 awarded Shares were granted to the selected participants. Subject to the terms of the Scheme Rules and the fulfilment of all vesting conditions specified by the Board, the awarded Shares shall be vested on 8 March 2025 or an earlier date as approved by the Board.
- (3) On 17 August 2023, an aggregate of 21,487,433 awarded Shares were granted to the selected participants. Subject to the terms of the Scheme Rules and the fulfilment of all vesting conditions specified by the Board, the awarded Shares shall be vested on 17 August 2026 or an earlier date in the same year as approved by the Board.
- (4) The weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested was HK\$12.1.

Share Scheme

The Share Scheme was adopted by the Shareholders at the annual general meeting of the Company held on 26 April 2024 (the “**Adoption Date**”) in compliance with the amendments to Chapter 17 of the Listing Rules that came into effect on 1 January 2023, and to replace the Share Award Scheme.

The purpose

The purpose of the Share Scheme is to provide incentive to the eligible participants under the Share Scheme (the “**Eligible Participants**”) in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

The Eligible Participants

The Eligible Participants include:

- (i) the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards (as defined below) under the Share Scheme as inducement to enter into employment contracts with any member of the Group) (the **"Employee Participants"**); and
- (ii) the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries, associated companies or investee companies of the Company (the **"Related Entity Participants"**).

Maximum number of Shares subject to the Share Scheme

The total number of Shares which may be issued upon exercise of all awards to be granted under the Share Scheme (**"Awards"**, which may be share options or share awards) together with all options and awards which may be granted under any other schemes for the time being of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date, which is 268,265,336 Shares, representing approximately 10% of the issued share capital of the Company as at the date of this report.

Maximum entitlement of each Eligible Participant

Where (a) any grant of an Award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue, or (b) any grant of share awards (i.e., excluding grant of share options) under the Share Scheme to any Director (other than an independent non-executive Director) or chief executive of the Company), or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the relevant schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant, such grant must be approved by the Shareholders in a general meeting of the Company.

Other Information

The grant of Awards to an Eligible Participant in any twelve (12)-month period must not in aggregate exceed 1% of the Shares in issue. Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be approved by the Shareholders in a general meeting of the Company.

Time of exercise of options

Subject to the terms of the Share Scheme, an Award may be exercised at any time during the period stipulated in the offer to the Eligible Participant (the “**Offer**”), provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant Award.

The Board may at its discretion specify any condition in the offer letter, including performance target or clawback mechanism, at the grant of the relevant Award which must be satisfied before an Award may be exercised. The exercise of the share options is subject to the Eligible Participants satisfying all such conditions, without triggering any clawback mechanism.

Vesting period

Save for the circumstances prescribed below, an Award must be held by the Eligible Participant who accepts the Offer in accordance with the terms of the Share Scheme for a period that is not shorter than the period commences on the offer date and ending on the day immediately prior to the first anniversary thereof (the “**Minimum Period**”) before the Award can be exercised.

Other Information

The Board may at its discretion grant Awards with a vesting period shorter than the Minimum Period in the following circumstances: (1) grants of “make-whole” Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers; (2) grants to an Eligible Participant whose employment is terminated due to death or occurrence of any out of control event; (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch; (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

Acceptance

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the new Shares underlying an Award which are offered to such Eligible Participant when the duplicate letter or acknowledgment comprising acceptance of the Offer duly signed or acknowledged by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) that may be determined by the Board as consideration for the grant thereof, is received by the Company.

Exercise price and issue price

In respect of share options, the exercise price shall be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day; (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and (3) the nominal value of the Share on the offer date.

In respect of share awards, the issue price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the offer letter. For the avoidance of doubt, the Board may determine the issue price to be nil.

Other Information

Remaining life of the Share Scheme

The Share Scheme shall be valid and effective until the close of the business day on which falls on the date immediately prior to the tenth anniversary of the Adoption Date. As at the date of this report, the remaining life of the Share Scheme is approximately 9 years and 3 months.

During the six months ended 30 June 2024, no options or awards were granted under the Share Scheme.

The aggregate number of options and awards available for grant under the Post-IPO Share Option Scheme, the Share Award Scheme and the Share Scheme as at 1 January 2024 and 30 June 2024 is set out below:

	As at 1 January 2024	As at 30 June 2024
Number of options available for grant under the Post-IPO Share Option Scheme	Nil	Nil
Number of awards available for grant under the Share Award Scheme	93,264,229	Nil
Number of options or awards available for grant under the Share Scheme	Not applicable ⁽²⁾	268,265,336
<hr/>		
Total number of options and awards available for grant ⁽¹⁾	93,264,229	268,265,336
<hr/>		

Note:

- (1) No service provider sublimit was set under the Post-IPO Share Option Scheme, the Share Award Scheme or the Share Scheme.
- (2) The Share Scheme was adopted by the Shareholders at the annual general meeting of the Company held on 26 April 2024. Therefore, the number of options or awards available for grant as at 1 January 2024 was not applicable.

Other Information

During the six months ended 30 June 2024, no share option or award was granted under any of the share schemes of the Company. The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the six months ended 30 June 2024 divided by the weighted average number of Shares in issue for the six months ended 30 June 2024 is therefore not applicable.

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2024, the interest or short position of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix C3 to the Listing Rules, were as follows:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Yang Xianxiang ⁽²⁾	Interest in controlled corporation	233,814,950 (L)	8.71%
	Beneficial owner	9,016,296 (L)	0.34%
Xue Mingyuan ⁽⁴⁾	Beneficiary of the Go Thrive Trust	926,100 (L)	0.03%
	Beneficial owner	3,088,518 (L)	0.12%
Liu Kecheng ⁽³⁾	Interest in controlled corporation	43,780,737 (L)	1.63%
	Beneficial owner	641,619 (L)	0.02%
Lai Zhiyong ⁽⁴⁾	Beneficiary of the Go Thrive Trust	1,537,847 (L)	0.06%
	Beneficial owner	1,619,358 (L)	0.06%
Yang Xin	Beneficiary of a trust	1,097,794,544 (L)	40.92%
Tse Siu Ngan	Beneficial owner	9,000 (L)	0.00%
Hu Mantian (Mandy)	Beneficial owner	2,000 (L)	0.00%

Other Information

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
 - (2) 233,814,950 Shares were held by Jixiang Limited, which was owned as to 100% by Mr. Yang Xianxiang.
 - (3) 43,780,737 Shares were held by Yicheng Group Limited, which was owned as to 100% by Mr. Liu Kecheng.
 - (4) 1,537,847 Shares and 926,100 Shares were held by Go Thrive Limited, which was wholly owned by Mr. Zhao Zhiyong, as the trustee holding such interests for the beneficiaries of Go Thrive Trust, including Mr. Lai Zhiyong and Mr. Xue Mingyuan.
- (ii) Interest in underlying Shares

Name of Director	Nature of interest	Approximate percentage of shareholding attributable to the Shares	
		Number of Shares subject to vesting under the Share Award Scheme	subject to vesting under the Share Award Scheme
Yang Xianxiang	Beneficiary of a trust	2,483,317	0.09%
Xue Mingyuan	Beneficiary of a trust	2,065,994	0.08%
Liu Kecheng	Beneficiary of a trust	1,160,450	0.04%
Lai Zhiyong	Beneficiary of a trust	616,210	0.02%
Yang Xin	Beneficiary of a trust	5,000	0.00%
Tse Siu Ngan	Beneficiary of a trust	10,000	0.00%
Liu Ka Ying, Rebecca	Beneficiary of a trust	10,000	0.00%
Hu Mantian	Beneficiary of a trust	10,000	0.00%

Other Information

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 30 June 2024, the following persons (other than the Directors and chief executive of the Company) had interest and/or short position in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Yang Shaopeng ⁽²⁾	Founder of a discretionary trust	1,097,794,544 (L)	40.92%
	Beneficial owner	10,619,000 (L)	0.40%
TMF (Cayman) Ltd. ⁽²⁾	Trustee	1,097,794,544 (L)	40.92%
Better Master Limited ⁽²⁾	Interest in controlled corporation	1,097,794,544 (L)	40.92%
Resourceful Link Management Limited ⁽²⁾	Beneficial owner	1,097,794,544 (L)	40.92%
Liu Rongli ⁽³⁾	Interest of spouse	1,108,413,544 (L)	41.32%
JIXIANG Limited ⁽⁴⁾	Beneficial owner	233,814,950 (L)	8.71%

Other Information

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) 1,097,794,544 Shares were held by Resourceful Link Management Limited, which was owned as to 100% by Better Master Limited, which was in turn owned as to 100% by TMF (Cayman) Ltd., the trustee of a family trust established by Mr. Yang Shaopeng.
- (3) Ms. Liu Rongli is the spouse of Mr. Yang Shaopeng and is deemed to be interested in all the Shares held by Mr. Yang Shaopeng by virtue of the SFO.
- (4) JIXIANG Limited was owned as to 100% by Mr. Yang Xianxiang.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company’s accountability and transparency. For the six months ended 30 June 2024, the Board is of the view that the Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules and there had been no deviation from the code provisions set out in the CG Code for the six months ended 30 June 2024.

DIRECTORS’ SECURITIES TRANSACTIONS

The Board has adopted the Model Code and devised its own code of conduct regarding directors’ dealings in the Company’s securities (the “**Code of Conduct**”) on terms no less exacting than the Model Code. Having made specific enquiries, all Directors confirmed that they have complied with the Model Code during the six months ended 30 June 2024.

UPDATE ON INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

Having made all reasonable enquiry to the Directors, the Company is not aware of any information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the six months ended 30 June 2024.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the period from 31 May 2024 to 30 June 2024, the trustee of the Share Scheme purchased on the market an aggregate of 966,000 Shares for the purpose of the Share Scheme at an average consideration of approximately HK\$19.99 per share, totalling approximately HK\$19.31 million for the purpose of the Share Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2024. As at 30 June 2024, the Company did not hold any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the prescribed public float under the Listing Rules throughout six months ended 30 June 2024.

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal control. The Audit Committee consists of three independent non-executive directors, namely Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy). The chairman of the Audit Committee is Dr. Liu Ka Ying, Rebecca. The Audit Committee and the Company's management have reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters including review of the unaudited interim results of the Group and the interim report of the Company for the six months ended 30 June 2024.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules is available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sitc.com>).

For and on behalf of the Board

Yang Xianxiang

Chairman

21 August 2024

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
REVENUE	3	1,300,521	1,253,379
Cost of sales		(897,906)	(921,201)
Gross profit		402,615	332,178
Other income and gains, net	4	20,228	58,777
Administrative expenses		(63,824)	(63,981)
Other expenses, net		(399)	(4,402)
Finance costs	5	(7,345)	(10,511)
Share of profits and losses of:			
Joint ventures		10,491	10,027
Associates		612	153
PROFIT BEFORE TAX	6	362,378	322,241
Income tax	7	(9,532)	(9,561)
PROFIT FOR THE PERIOD		352,846	312,680

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	(181)	(797)
Reclassification adjustments for gains included in profit or loss	–	(7,669)
	(181)	(8,466)
Exchange differences on translation of foreign operations	(4,755)	(7,333)
Share of other comprehensive income/ (loss) of joint ventures	1,265	(4,924)
Share of other comprehensive income/ (loss) of associates	152	(522)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(3,519)	(21,245)

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2024

	Six months ended 30 June	
Note	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX	(3,519)	(21,245)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	349,327	291,435
Profit for the period attributable to:		
Shareholders of the Company	350,674	310,297
Non-controlling interests	2,172	2,383
	352,846	312,680
Total comprehensive income for the period attributable to:		
Shareholders of the Company	348,088	289,234
Non-controlling interests	1,239	2,201
	349,327	291,435
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
9		
Basic (US cents per share)	13.25	11.70
Diluted (US cents per share)	13.07	11.56

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,717,839	1,661,852
Right-of-use assets		211,282	215,463
Advance payments for acquisition of vessels		85,556	70,833
Goodwill		971	998
Other intangible assets		1,579	1,579
Investments in joint ventures		61,688	57,965
Investments in associates		12,788	12,604
Derivative financial instruments		4,251	4,584
Total non-current assets		2,095,954	2,025,878
CURRENT ASSETS			
Bunkers		46,528	43,324
Trade receivables	11	153,423	113,333
Prepayments, deposits and other receivables		44,156	37,340
Derivative financial instruments		1,629	1,485
Financial assets at fair value through profit or loss	12	737	14,780
Cash and bank balances		507,534	416,323
Total current assets		754,007	626,585

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
CURRENT LIABILITIES			
Trade payables	13	233,318	203,514
Other payables and accruals	14	119,224	137,265
Derivative financial instruments		384	–
Bank borrowings		115,265	104,219
Lease liabilities		43,101	50,937
Income tax payables		4,973	7,065
Total current liabilities		516,265	503,000
NET CURRENT ASSETS		237,742	123,585
TOTAL ASSETS LESS CURRENT LIABILITIES		2,333,696	2,149,463
NON-CURRENT LIABILITIES			
Bank borrowings		58,072	64,815
Lease liabilities		156,773	150,733
Provision for reinstatement costs		2,599	2,857
Total non-current liabilities		217,444	218,405
Net assets		2,116,252	1,931,058

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Note	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	15	34,587	34,583
Reserves		2,065,355	1,879,953
		2,099,942	1,914,536
Non-controlling interests		16,310	16,522
Total equity		2,116,252	1,931,058

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

Six months ended 30 June 2024

Note	Attributable to shareholders of the Company												
	Issued capital US\$'000 (unaudited)	Share premium account US\$'000 (unaudited)	Share held under share award scheme US\$'000 (unaudited)	Share-based compensation reserve US\$'000 (unaudited)	Capital and other reserves US\$'000 (unaudited)	Hedging reserve US\$'000 (unaudited)	Fair value reserve US\$'000 (unaudited)	Exchange fluctuation reserve US\$'000 (unaudited)	Reserve funds US\$'000 (unaudited)	Retained profits US\$'000 (unaudited)	Total US\$'000 (unaudited)	Non-controlling interests US\$'000 (unaudited)	
At 1 January 2024	34,583	402,127	(86,253)	54,950	(9,462)	10,157	21	(24,538)	8,428	1,534,551	1,943,536	16,522	1,931,059
Profit for the period	-	-	-	-	-	-	-	-	-	350,574	350,574	2172	352,646
Other comprehensive income/loss for the period:	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges, net of income tax	-	-	-	-	-	(181)	-	-	-	-	(181)	-	(181)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(8,822)	-	-	(8,822)	(833)	(4,755)
Share of other comprehensive income of:	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint ventures	-	-	-	-	-	-	-	1,265	-	-	1,265	-	1,265
Associates	-	-	-	-	-	-	-	132	-	-	132	-	132
Total comprehensive income/loss for the period	-	-	-	-	-	(181)	-	(8,405)	-	350,574	348,088	1,239	349,327
Capital contribution from non-controlling equity holders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	28	28
Issue of shares upon exercise of share options under the post-IPO share option scheme	4	223	-	(51)	-	-	-	-	-	-	176	-	176
Exercise of share awards under the share award scheme	-	-	9,435	(9,435)	-	-	-	-	-	-	(2,895)	-	(2,895)
Repurchase of shares under the share award scheme	-	-	(2,895)	-	-	-	-	-	-	-	11,324	-	11,324
Share award expense	-	-	-	11,324	-	-	-	-	-	-	-	-	-
Transfer to reserve funds	-	-	-	-	-	-	-	-	1,216	(1,216)	-	-	-
Dividend declared to non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,479)	(1,479)
Final 2023 dividend paid	-	-	-	-	-	-	-	-	-	(171,487)	(171,487)	-	-
At 30 June 2024	34,587	402,591	(86,324)	55,788	(9,462)*	9,976*	21*	(26,941)*	9,644*	1,712,502*	2,093,942	16,310	2,116,252

* These reserve accounts comprise the consolidated reserves of US\$2,065,355,000 (unaudited) (31 December 2023: US\$1,879,953,000) in the interim condensed consolidated statement of financial position as at 30 June 2024.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

Six months ended 30 June 2023

Note	Issued capital US\$'000 (audited)	Share premium account US\$'000 (audited)	Share-based award scheme account US\$'000 (audited)	Attributable to shareholders of the Company						Non- controlling interests US\$'000 (audited)	Total equity US\$'000 (audited)
				Share-based award scheme reserves US\$'000 (audited)	Capital and other reserves US\$'000 (audited)	Hedging reserves US\$'000 (audited)	Fair value reserves US\$'000 (audited)	Exchange fluctuation reserves US\$'000 (audited)	Reserve funds US\$'000 (audited)	Retained profits US\$'000 (audited)	Total US\$'000 (audited)
At 1 January 2023	34,582	402,040	(79,176)	38,207	(7,823)	20,887	21	(4,586)	6,703	1,754,955	2,150,540
Profit for the period	-	-	-	-	-	-	-	-	-	310,297	310,297
Other comprehensive income/loss for the period:											
Cash flow hedges, net of income tax	-	-	-	-	-	(8,460)	-	-	-	-	(8,460)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(7,151)	-	-	(7,151)
Share of other comprehensive loss of:											
Joint ventures	-	-	-	-	-	-	-	(4,924)	-	-	(4,924)
Associates	-	-	-	-	-	-	-	(522)	-	-	(522)
Total comprehensive income/loss for the period	-	-	-	-	-	(8,460)	-	(12,557)	-	310,297	289,234
Issue of shares upon exercise of share options under the post-PO share option scheme	15	87	-	(20)	-	-	-	-	-	-	68
Expenses of share awards under the share award scheme	-	-	6,666	(6,666)	-	-	-	-	-	-	-
Repurchase of shares under the share award scheme	-	-	(11,811)	-	-	-	-	-	-	-	(11,811)
Share award expense	-	-	-	11,520	-	-	-	-	-	-	11,520
Transfer to reserve funds	-	-	-	-	-	-	-	-	203	(203)	-
Dividend declared to non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Fiscal 2022 dividend paid	-	-	-	-	-	-	-	-	-	(646,782)	(646,782)
At 30 June 2023	34,583	402,027	(84,321)	38,041	(7,823)	12,221	21	(12,557)	6,906	1,518,307	1,930,740

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	396,927	364,726
Interest income received	12,197	20,094
Interest paid	(3,180)	(5,613)
Overseas tax paid	(11,627)	(11,023)
Net cash flows from operating activities	394,317	368,184
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(96,854)	(173,460)
Proceeds from disposal of property, plant and equipment	5,967	44,031
Advance payments for acquisition of vessels	(33,364)	(16,608)
Investments in joint ventures	(38)	(64)
Investments in associates	–	(4,339)
Redemption of investment in a joint venture	1,020	–
Redemption of investment in an associate	580	–
Proceeds from settlement of derivative financial instruments	–	7,669
Proceeds from investment income of principal-protected investment deposit at fair value through profit or loss	207	69
Purchase of financial assets at a fair value through profit or loss	(737)	(37,186)
Proceeds from disposal of financial assets at a fair value through profit or loss	14,780	14,066
Increase in non-pledged time deposits with original maturity of over three months	(168,083)	(237,997)
Decrease in non-pledged time deposits with original maturity of over three months	131,120	436,868
Withholding tax paid on dividends received	(218)	(499)
Dividends received from joint ventures	7,269	5,129
Net cash flows from/(used in) investing activities	(138,351)	37,679

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	176	68
Repurchase of shares	(2,695)	(11,811)
Capital contribution from non-controlling equity holders of a subsidiary	28	–
New bank borrowings	40,632	59,313
Repayment of bank borrowings	(35,935)	(121,280)
Principal portion of lease payments	(28,016)	(33,818)
Payment for provision for reinstatement costs	(582)	(151)
Dividends paid	(171,487)	(546,782)
Dividends paid to non-controlling equity holders of subsidiaries	(1,479)	(2,698)
Net cash flows used in financing activities	(199,358)	(657,159)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	56,608	(251,296)
Cash and cash equivalents at beginning of period	122,210	544,663
Effect of foreign exchange rate changes, net	(2,360)	(1,371)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	176,458	291,996
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances other than time deposits	116,458	211,424
Time deposits	391,076	318,569
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	507,534	529,993
Less: Non-pledged time deposits with original maturity of over three months when acquired	(331,076)	(237,997)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	176,458	291,996

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

1.1 CORPORATE INFORMATION

SITC International Holdings Company Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is located at 31/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the provision of integrated shipping logistics services, including provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services.

In the opinion of the directors, the immediate holding company of the Company is Resourceful Link Management Limited, which is incorporated in the British Virgin Islands (the “**BVI**”), and the ultimate holding company of the Company is Better Master Limited, which is incorporated in the BVI.

1.2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). This interim condensed consolidated financial information is presented in the United States dollar (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

This interim condensed consolidated financial information has not been audited but has been reviewed by the Audit Committee of the Company. It does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2023.

1.2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**Changes in accounting policies and disclosures**

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the " 2020 Amendments ")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the " 2022 Amendments ")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

1.2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**Changes in accounting policies and disclosures** (continued)

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

2. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2024 and 2023

The Group's operating income was derived from the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, container vessel leasing, land leasing and other services. For the purposes of resource allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment.

3. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Revenue from contracts with customers	1,299,443	1,252,182
Revenue from other sources:		
Vessels time charter income	–	154
Other rental income	1,078	1,043
Total	1,300,521	1,253,379

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

3. REVENUE (continued)

Notes:

(a) Disaggregated revenue information

	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Type of services		
Container shipping and supporting logistics income	1,160,241	1,142,527
Other container logistics income*	139,202	109,655
Total	1,299,443	1,252,182
Revenue from other sources	1,078	1,197
Total revenue	1,300,521	1,253,379
Geographical markets		
Greater China#	589,626	486,913
Southeast Asia	381,692	394,606
Japan	233,420	280,731
Others	94,705	89,932
Total	1,299,443	1,252,182
Revenue from other sources	1,078	1,197
Total revenue	1,300,521	1,253,379
Timing of revenue recognition		
Services transferred over time	1,299,443	1,252,182
Revenue from other sources	1,078	1,197
Total revenue	1,300,521	1,253,379

3. REVENUE (continued)

Notes: (continued)

(a) Disaggregated revenue information (continued)

* Other container logistics income includes freight forwarding income, shipping agency income, depot and warehousing income.

Greater China includes Chinese Mainland, Hong Kong and Taiwan.

(b) Performance obligations

Information about the Group's performance obligations in contracts with customers is summarised below:

Container shipping and supporting logistics income

The performance obligation relates to provision of container marine transportation and is satisfied over time as services are rendered and payment is generally due within 15 days upon the completion of the voyage, except for selected customers, where the payment term can be extended up to 3 months.

Other container logistics income

The performance obligation is satisfied when the services including of integrated freight forwarding, and shipping agency, etc. are rendered and payment is generally due within 15 days from the date of billing.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

4. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Other income		
Bank interest income	12,189	19,823
Investment income of principal-protected investment deposits at fair value through profit or loss	207	69
Government subsidies*	554	1,692
Others	82	42
Total other income	13,032	21,626
Gains, net		
Gains on disposal of property, plant and equipment, net	3,436	22,067
Fair value gains, net:		
Cash flow hedges (transfer from equity)	–	7,669
Derivative instruments – transactions not qualifying as hedges	–	280
Financial assets at fair value through profit or loss	63	–
Foreign exchange differences, net	3,697	7,135
Total gains	7,196	37,151
Other income and gains, net	20,228	58,777

* The amount represented subsidies of US\$554,000 (six months ended 30 June 2023: US\$1,692,000) received from certain governmental authorities in Chinese Mainland and Japan for the Group's operation of container shipping and logistics businesses, where there are no unfulfilled conditions or contingencies relating to these grants during the period.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

5. FINANCE COSTS

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Interest on bank borrowings	3,180	5,616
Interest on lease liabilities	4,107	4,832
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	58	63
Total finance costs	7,345	10,511

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cost of services provided:		
Cost of bunkers consumed	158,762	162,742
Others	739,144	758,459
Total	897,906	921,201
Depreciation of property, plant and equipment	54,332	48,173
Less: Included in cost of services provided	(52,289)	(46,109)
Total	2,043	2,064
Depreciation of right-of-use assets	26,111	29,736
Less: Included in cost of services provided	(24,829)	(28,417)
Total	1,282	1,319
Fair value losses/(gains) of financial assets at fair value through profit or loss, net	(63)	752*
Impairment loss of trade receivables, net* (note 11(c))	8	10

* These items are included in "Other expenses, net" on the face of the interim condensed consolidated statement of profit or loss and other comprehensive income.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

7. INCOME TAX

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Current:		
Chinese Mainland	3,250	2,867
Hong Kong	452	415
Elsewhere	5,830	6,279
Total tax expense for the period	9,532	9,561

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 June 2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2023: 16.5%). Taxes on profits assessable in Chinese Mainland and elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The share of income tax expense attributable to joint ventures and associates for the six months ended 30 June 2024 amounting to US\$3,248,000 (six months ended 30 June 2023: US\$2,851,000) are included in "Share of profits and losses of joint ventures and associates" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

8. INTERIM DIVIDEND

At the meeting of the board of directors of the Company (the “**Board**”) held on 21 August 2024 (Wednesday), the Board resolved to declare an interim dividend of HK72 cents (equivalent to US9.22 cents) (six months ended 30 June 2023: HK60 cents, equivalent to US7.66 cents) per share, totaling US\$247,264,000 (six months ended 30 June 2023: US\$205,414,000).

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the period less shares held under share award scheme of the Company.

The calculation of the diluted earnings per share is based on the profit for the period attributable to shareholders of the Company; and the weighted average number of ordinary shares used in the calculation is the total of (i) weighted average number of ordinary shares in issue during the period as used in the basic earnings per share calculation; (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options into ordinary shares; and (iii) the weighted average number of ordinary shares assumed to have been awarded at no consideration on the deemed exercise of all rights of shares held under the share award scheme of the Company.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (continued)

The calculations of the basic and diluted earnings per share amounts are based on:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Earnings		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	350,674	310,297

	Number of shares for the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period less shares held under the share award scheme, used in the basic earnings per share calculation	2,645,698,301	2,651,290,996
Effect of dilution – weighted average number of ordinary shares:		
Share options	448,884	532,856
Shares held under the share award scheme	37,011,444	31,297,036
Weighted average number of ordinary shares during the period, used in the diluted earnings per share calculation	2,683,158,629	2,683,120,888

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment at a total cost of US\$115,495,000 (six months ended 30 June 2023: US\$253,260,000) and disposed of items of property, plant and equipment with an aggregate carrying amount of US\$2,520,000 (six months ended 30 June 2023: US\$21,163,000).

11. TRADE RECEIVABLES

	Notes	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Trade receivables	(a)	153,905	113,811
Impairment	(c)	(482)	(478)
Net carrying amount		153,423	113,333

Notes:

- (a) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 15 days, extending up to three months for selected customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

11. TRADE RECEIVABLES (continued)

Notes: (continued)

- (b) An ageing analysis of the trade receivables as at the end of reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Within 1 month	130,559	92,187
1 to 2 months	14,273	13,756
2 to 3 months	4,800	4,609
Over 3 months	3,791	2,781
Total	153,423	113,333

- (c) The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
At beginning of period/year	478	484
Impairment loss, net	8	55
Amount written off as uncollectible	(4)	(61)
At end of period/year	482	478

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

11. TRADE RECEIVABLES (continued)

Notes: (continued)

(c) (continued)

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses rate of 0.1% (31 December 2023: 0.1%) is provided for the external customers with good credit. External customers with credit deterioration (i.e. overdue by more than 3 months) will be assessed on an individual basis for the provision of expected credit losses. Generally, trade receivables will be written off when past due for more than one year and are not subject to enforcement activity.

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

(d) Included in the Group's trade receivables as at 30 June 2024 are amounts of US\$31,339,000 (31 December 2023: US\$18,060,000) and US\$815,000 (31 December 2023: US\$508,000) due from joint ventures and companies controlled by the Controlling Shareholder, respectively, which are repayable on credit terms similar to those offered to the selected customers of the Group.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Principal-protected investment deposits	–	14,095
Unlisted investment	737	685
Total	737	14,780

Note: These unlisted investment deposits and unlisted investment were made with creditworthy banks and securities firm in the People's Republic of China ("PRC"), respectively. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

13. TRADE PAYABLES

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Within 1 month	180,198	161,108
1 to 2 months	23,419	19,997
2 to 3 months	9,040	4,642
Over 3 months	20,661	17,767
Total	233,318	203,514

- (b) Included in the Group's trade payables as at 30 June 2024 are amounts of US\$7,661,000 (31 December 2023: US\$6,747,000) and US\$14,570,000 (31 December 2023: US\$13,883,000) due to joint ventures and companies controlled by the Controlling Shareholders, respectively, which are repayable within 30 days.
- (c) The trade payables are non-interest-bearing and are normally settled on terms ranging from 15 to 45 days.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

14. OTHER PAYABLES AND ACCRUALS

Included in the balances as at 30 June 2024 comprise contract liabilities of US\$15,514,000 (31 December 2023: US\$11,287,000), which represented the advance payments received from the customers for the container shipping service and will be recognised as revenue when the performance obligation is satisfied.

15. SHARE CAPITAL

	30 June 2024		31 December 2023	
	HK\$'000	US\$'000 equivalent	HK\$'000	US\$'000 equivalent
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Authorised:				
5,000,000,000 ordinary shares of HK\$0.1 each	500,000		500,000	
Issued and fully paid:				
2,682,938,360				
(31 December 2023: 2,682,623,360) ordinary shares of HK\$0.1 each	268,294	34,587	268,262	34,583

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

15. SHARE CAPITAL (continued)

A summary of the movement in the Company's issued share capital during the period is as follows:

	Number of issued and fully paid ordinary shares (Unaudited)	Issued share capital HK\$'000 (Unaudited)	US\$'000 equivalent (Unaudited)
At 1 January 2024	2,682,623,360	268,262	34,583
Issue of new shares upon exercise of share options (note)	315,000	32	4
At 30 June 2024	2,682,938,360	268,294	34,587

Note: The subscription rights attaching to 315,000 share options issued under the post-IPO share option scheme were exercised at the subscription price of HK\$4.378 per share, resulting in the issue of 315,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of approximately HK\$1,379,000 (equivalent to approximately US\$176,000). An amount of US\$51,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

16. CAPITAL COMMITMENTS

At 30 June 2024, the Group had capital commitments of US\$229,584,000 (31 December 2023: US\$188,352,000) and US\$8,897,000 (31 December 2023: US\$11,825,000), which are contracted, but not provided for, in respect of acquisition of vessels and construction of intelligent depot respectively.

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

17. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Companies controlled by the Controlling Shareholder:		
Container marine transportation service income	13,083	13,700
Container vessel rental expenses	1,592	9,064
Container rental expenses	165	300
Shipping agency fee expenses	810	782
Joint ventures:		
Container marine transportation service income	57,364	64,801
Freight forwarding service income for marine transportation	120,186	65,823
Warehousing expenses	3,227	2,264
Freight forwarding service expenses	2,400	1,300
Shipping agency fee expense	6	7
Rental income from land and buildings	1,314	1,141
Technology outsourcing service income	187	410
Container maintenance income	347	421

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

17. RELATED PARTY TRANSACTIONS (continued)

- (b) Compensation of key management personnel of the Group, which are also the directors of the Company, is as follows:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Short-term employee benefits	1,174	13,140
Post-employment benefits	22	6
Share-based compensation expense	2,766	1,741
Total compensation paid to key management	3,962	14,887

(c) Outstanding balances with related companies

The balances with related companies represent balances with companies which are controlled by the Controlling Shareholder, the joint ventures and the associates. The balances are unsecured, interest-free and repayable on credit terms similar to those offered to the selected customers of the Group.

None of the balances with related companies are either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. In addition, management consider the Group's exposure to fair value and cash flow interest rate risks on the bank borrowings is insignificant as majority of the balances bear interest at fixed interest rates.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair values measurement of financial instruments. The finance manager reports directly to the Chief Financial Officer and the Audit Committee.

At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (a) The Group places principal-protected investment deposits with creditworthy banks, and their fair values are determined with reference to market observable inputs currently available for investments with similar terms and credit risk. The carrying amounts of principal-protected investment deposits are the same as their fair values.
- (b) The Group enters into derivative financial instruments with various counterparties, principally financial institutions of creditworthy banks. Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

- (c) The fair value of unlisted fund is based on the reported net asset value in the monthly statement provided by the fund administrator. The net asset value is determined with reference to unobservable inputs for the underlying assets, using the best available assumptions for the purposes of pricing of underlying assets. The carrying amount of unlisted fund investment is the same as its fair value.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement of the Group's financial instruments:

Assets measured at fair value

At 30 June 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US\$'000 (Unaudited)	Significant observable inputs (Level 2) US\$'000 (Unaudited)	Significant unobservable inputs (Level 3) US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
Derivative financial instruments	-	5,880	-	5,880
Unlisted investment at fair value through profit or loss	-	-	737	737
Total	-	5,880	737	6,617

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Assets measured at fair value** (continued)

At 31 December 2023

	Fair value measurement using			Total US\$'000 (Audited)
	Quoted prices in active markets (Level 1) US\$'000 (Audited)	Significant observable inputs (Level 2) US\$'000 (Audited)	Significant unobservable inputs (Level 3) US\$'000 (Audited)	
Derivative financial instruments	–	6,069	–	6,069
Principal-protected investment deposits at fair value through profit or loss	–	14,095	–	14,095
Unlisted investment at fair value through profit or loss	–	–	685	685
Total	–	20,164	685	20,849

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30 June 2024

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liabilities measured at fair value

At 30 June 2024

	Fair value measurement using			Total US\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) US\$'000 (Unaudited)	Significant observable inputs (Level 2) US\$'000 (Unaudited)	Significant unobservable inputs (Level 3) US\$'000 (Unaudited)	
Derivatives financial instruments	-	384	-	384

At 31 December 2023

	Fair value measurement using			Total US\$'000 (Audited)
	Quoted prices in active markets (Level 1) US\$'000 (Audited)	Significant observable inputs (Level 2) US\$'000 (Audited)	Significant unobservable inputs (Level 3) US\$'000 (Audited)	
Derivatives financial instruments	-	-	-	-

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

During the period, there were no transfer of fair value measurements between Level 1 and Level 2 (six months ended 30 June 2023: Nil) and no transfer into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 21 August 2024.