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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

Financial Highlights

- Revenue for the six months ended 30 June 2021 was approximately US\$1,334.2 million, increased by approximately 79.6% as compared to approximately US\$742.9 million for the corresponding period in 2020.
- Gross profit for the six months ended 30 June 2021 increased by approximately 251.5% from approximately US\$158.5 million for the six months ended 30 June 2020 to approximately US\$557.2 million which translated to an increase in gross profit margin to approximately 41.8% for the six months ended 30 June 2021 from approximately 21.3% for the six months ended 30 June 2020.
- Profit for the six months ended 30 June 2021 increased by approximately 307.9% to approximately US\$487.9 million from approximately US\$119.6 million for the corresponding period in 2020.
- Basic earnings per share for the six months ended 30 June 2021 amounted to US18.24 cents (30 June 2020: US4.46 cents).
- An interim dividend of HK100 cents per share (equivalent to US12.88 cents per share) was declared for the six months ended 30 June 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of SITC International Holdings Company Limited (“**SITC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020 as below.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	<i>Notes</i>	2021 <i>US\$'000</i> (Unaudited)	2020 <i>US\$'000</i> (Unaudited)
REVENUE		1,334,237	742,943
Cost of sales		<u>(777,016)</u>	<u>(584,416)</u>
Gross profit		557,221	158,527
Other income and gains, net	3	8,859	12,269
Administrative expenses		(66,446)	(42,816)
Other expenses, net		(2,479)	(885)
Finance costs	4	(7,850)	(6,926)
Share of profits and losses of:			
Joint ventures		6,983	4,197
Associates		<u>156</u>	<u>162</u>
PROFIT BEFORE TAX	5	496,444	124,528
Income tax	6	<u>(8,523)</u>	<u>(4,889)</u>
PROFIT FOR THE PERIOD		<u><u>487,921</u></u>	<u><u>119,639</u></u>

Six months ended 30 June	
2021	2020
<i>US\$'000</i>	<i>US\$'000</i>
(Unaudited)	(Unaudited)

OTHER COMPREHENSIVE INCOME/(LOSS)

Other comprehensive income/(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

8,949 (7,055)

Reclassification adjustments for losses included in profit or loss

2,876 881

11,825 (6,174)

Exchange differences on translation of foreign operations

416 (2,202)

Share of other comprehensive loss of joint ventures

(133) (96)

Share of other comprehensive loss of associates

(31) (108)

	Six months ended 30 June	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
<i>Note</i>	(Unaudited)	(Unaudited)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>12,077</u>	<u>(8,580)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX	<u>12,077</u>	<u>(8,580)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>499,998</u>	<u>111,059</u>
Profit for the period attributable to:		
Shareholders of the Company	485,588	118,610
Non-controlling interests	<u>2,333</u>	<u>1,029</u>
	<u>487,921</u>	<u>119,639</u>
Total comprehensive income for the period attributable to:		
Shareholders of the Company	497,599	110,199
Non-controlling interests	<u>2,399</u>	<u>860</u>
	<u>499,998</u>	<u>111,059</u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	8	
Basic (US cents per share)	<u>18.24</u>	<u>4.46</u>
Diluted (US cents per share)	<u>18.10</u>	<u>4.43</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,109,008	1,101,059
Right-of-use assets		205,635	169,557
Advance payments for acquisition of vessels		84,490	38,451
Goodwill		1,097	1,083
Other intangible assets		1,579	1,579
Investments in joint ventures		43,534	35,968
Investments in associates		10,905	10,441
Derivative financial instruments		600	24
		<hr/>	<hr/>
Total non-current assets		1,456,848	1,358,162
CURRENT ASSETS			
Bunkers		36,025	20,384
Trade receivables	9	126,189	103,922
Prepayments, deposits and other receivables		38,240	21,087
Derivative financial instruments		198	1,726
Financial assets at fair value through profit or loss		2,863	16,845
Cash and bank balances		716,552	518,713
		<hr/>	<hr/>
Total current assets		920,067	682,677
CURRENT LIABILITIES			
Trade payables	10	193,770	173,039
Other payables and accruals		125,714	81,401
Derivative financial instruments		660	1,070
Bank borrowings		64,831	75,753
Lease liabilities		45,176	42,118
Income tax payables		4,783	4,051
		<hr/>	<hr/>
Total current liabilities		434,934	377,432

	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
NET CURRENT ASSETS	<u>485,133</u>	<u>305,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,941,981</u>	<u>1,663,407</u>
NON-CURRENT LIABILITIES		
Derivative financial instruments	2,187	4,378
Bank borrowings	303,995	353,140
Lease liabilities	142,476	107,856
Provision for reinstatement costs	<u>2,638</u>	<u>2,645</u>
Total non-current liabilities	<u>451,296</u>	<u>468,019</u>
Net assets	<u><u>1,490,685</u></u>	<u><u>1,195,388</u></u>
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	34,577	34,567
Reserves	<u>1,443,814</u>	<u>1,149,920</u>
	<u>1,478,391</u>	<u>1,184,487</u>
Non-controlling interests	<u>12,294</u>	<u>10,901</u>
Total equity	<u><u>1,490,685</u></u>	<u><u>1,195,388</u></u>

1.1 CORPORATE INFORMATION

SITC International Holdings Company Limited (the “**Company**”) was 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 KY-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is located at 21/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the following businesses:

- the provision of integrated logistics services, including provision of container transport, freight forwarding, shipping agency, depot and warehousing services; and
- the provision of dry bulk vessel leasing and land leasing 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 condensed consolidated interim financial information 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 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). This condensed consolidated interim financial information is presented in the United States dollar (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

This condensed consolidated interim financial information has not been audited but has been reviewed by the Audit and Risk Management 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 2020.

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 2020, 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 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

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

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in United States dollars and foreign currencies based on the London Interbank Offered Rate (“**LIBOR**”) as at 30 June 2021. Since the interest rates of these borrowings are not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the “economically equivalent” criterion is met.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the period ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the Covid-19 pandemic. No rent concession has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) the container shipping and logistics segment, which is engaged in the provision of integrated logistics services, including provision of container transport, freight forwarding, shipping agency, depot and warehousing services; and
- (b) the dry bulk and others segment, which is engaged in the provision of dry bulk vessel leasing and land leasing services.

Segment assets exclude cash and bank balances, derivative financial instruments and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, derivative financial instruments, income tax payables and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Basis of segment information

	Container shipping and logistics		Dry bulk and others		Total	
	Six months ended 30 June 2021 US\$'000 (Unaudited)	Six months ended 30 June 2020 US\$'000 (Unaudited)	Six months ended 30 June 2021 US\$'000 (Unaudited)	Six months ended 30 June 2020 US\$'000 (Unaudited)	Six months ended 30 June 2021 US\$'000 (Unaudited)	Six months ended 30 June 2020 US\$'000 (Unaudited)
Segment revenue:						
Sales to external customers	<u>1,320,468</u>	<u>731,960</u>	<u>13,769</u>	<u>10,983</u>	<u>1,334,237</u>	<u>742,943</u>
Segment results	<u>495,637</u>	<u>123,337</u>	<u>5,399</u>	<u>1,997</u>	<u>501,036</u>	<u>125,334</u>
<i>Reconciliation:</i>						
Bank interest income					2,859	6,000
Investment income of principal-protected investment deposits at fair value through profit or loss					138	120
Fair value gain on a financial asset at fair value through profit or loss					261	-
Finance costs					<u>(7,850)</u>	<u>(6,926)</u>
Profit before tax					<u>496,444</u>	<u>124,528</u>

	Container shipping and logistics		Dry bulk and others		Total	
	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Segment assets	<u>1,510,518</u>	<u>1,354,011</u>	<u>135,543</u>	<u>138,295</u>	<u>1,646,061</u>	<u>1,492,306</u>
<i>Reconciliation:</i>						
Corporate and other unallocated assets					<u>730,854</u>	<u>548,533</u>
Total assets					<u>2,376,915</u>	<u>2,040,839</u>
Segment liabilities	<u>485,889</u>	<u>387,175</u>	<u>3,588</u>	<u>3,022</u>	<u>489,477</u>	<u>390,197</u>
<i>Reconciliation:</i>						
Corporate and other unallocated liabilities					<u>396,753</u>	<u>455,254</u>
Total liabilities					<u>886,230</u>	<u>845,451</u>

3. OTHER INCOME AND GAINS, NET

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

	Six months ended 30 June	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	2,859	6,000
Investment income of principal-protected investment deposits at fair value through profit or loss	138	120
Government subsidies*	1,524	1,651
Others	65	4
	<u>4,586</u>	<u>7,775</u>
Gains, net		
Gains on disposal of items of property, plant and equipment, net	6	30
Fair value gains, net:		
Financial asset at fair value through profit or loss	261	–
Derivative instruments – transactions not qualifying as hedges	71	327
Foreign exchange differences, net	<u>3,935</u>	<u>4,137</u>
	<u>4,273</u>	<u>4,494</u>
Other income and gains, net	<u><u>8,859</u></u>	<u><u>12,269</u></u>

* The amount represented (i) subsidies received from certain governmental authorities in Mainland China, Japan and South Korea for the Group's operation of container shipping and logistics businesses, where there are no unfulfilled conditions or contingencies relating to these grants; and (ii) subsidies under the Employment Support Scheme in Hong Kong which the Group required to undertake not to implement redundancy during the subsidy period and to use the subsidy to pay wages of the employees, all conditions relating to these grants have been fulfilled.

4. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings	3,895	3,888
Interest on lease liabilities	3,899	2,987
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	56	51
	<hr/>	<hr/>
Total finance costs	7,850	6,926
	<hr/> <hr/>	<hr/> <hr/>

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
Cost of services provided:		
Cost of bunkers consumed	119,097	85,703
Others	657,919	498,713
	<hr/>	<hr/>
	777,016	584,416
	<hr/>	<hr/>
Depreciation of property, plant and equipment	38,068	33,853
Less: Included in cost of services provided	(36,224)	(32,213)
	<hr/>	<hr/>
	1,844	1,640
	<hr/>	<hr/>
Depreciation of right-of-use assets	25,946	22,394
Less: Included in cost of services provided	(24,005)	(20,790)
	<hr/>	<hr/>
	1,941	1,604
	<hr/>	<hr/>
Fair value losses of cash flow hedges (transfer from equity), net*	2,876	881
Reversal of impairment of trade receivables, net*	(111)	–
Reversal of written off of trade receivables*	(303)	–
	<hr/> <hr/>	<hr/> <hr/>

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

6. INCOME TAX

	Six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Current:		
Mainland China	1,467	1,176
Hong Kong	910	275
Elsewhere	6,146	3,438
	<hr/>	<hr/>
Total tax expense for the period	8,523	4,889
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 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 2020: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2020: 8.25%) and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable in Mainland China 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 2021 amounting to US\$2,115,000 (six months ended 30 June 2020: US\$1,190,000) are included in “Share of profits and losses of joint ventures and associates” in the condensed consolidated statement of profit or loss and other comprehensive income.

7. INTERIM DIVIDEND

At the meeting of the board of directors of the Company (the “**Board**”) held on 16 August 2021, the Board resolved to declare an interim dividend of HK100 cents (equivalent to US12.88 cents) (six months ended 30 June 2020: HK22 cents, equivalent to US2.84 cents) per share, totaling US\$345,457,000 (six months ended 30 June 2020: US\$76,082,000).

8. 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.

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

	Six months ended 30 June	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	485,588	118,610
	<u><u>485,588</u></u>	<u><u>118,610</u></u>
	Number of shares for the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period less shares held in share award scheme, used in the basic earnings per share calculation	2,662,354,381	2,658,016,795
Effect of dilution – weighted average number of ordinary shares:		
Share options	1,328,373	2,675,390
Shares held under the share award scheme	19,453,060	16,746,116
	<u><u>19,453,060</u></u>	<u><u>16,746,116</u></u>
Weighted average number of ordinary shares during the period, used in the diluted earnings per share calculation	2,683,135,814	2,677,438,301
	<u><u>2,683,135,814</u></u>	<u><u>2,677,438,301</u></u>

9. TRADE RECEIVABLES

	<i>Notes</i>	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Trade receivables	<i>(a)</i>	126,468	104,350
Impairment	<i>(c)</i>	(279)	(428)
		<u>126,189</u>	<u>103,922</u>

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.
- (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 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Within 1 month	106,737	90,128
1 to 2 months	14,558	9,955
2 to 3 months	2,938	2,533
Over 3 months	1,956	1,306
	<u>126,189</u>	<u>103,922</u>

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

	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
At beginning of period/year	428	319
Impairment loss/(reversal of impairment loss), net	(111)	321
Amount written off as uncollectible	(38)	(212)
	<hr/>	<hr/>
At end of period/year	279	428
	<hr/> <hr/>	<hr/> <hr/>

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 2020: 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 2021 are amounts of US\$8,090,000 (31 December 2020: US\$3,860,000), Nil (31 December 2020: US\$120,000) and US\$649,000 (31 December 2020: US\$21,000) due from joint ventures, associates and companies controlled the controlling shareholder, respectively, which are repayable on credit terms similar to those offered to the selected customers of the Group.

10. 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 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Within 1 month	150,363	137,131
1 to 2 months	24,802	22,860
2 to 3 months	6,326	4,127
Over 3 months	12,279	8,921
	193,770	173,039

- (b) Included in the Group's trade payables as at 30 June 2021 are amounts of US\$5,185,000 (31 December 2020: US\$4,647,000), Nil (31 December 2020: US\$18,545,000) and Nil (31 December 2020: US\$673,000) due to joint ventures, associates 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Business Review

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

(i) Container shipping and logistics business

The Group's container shipping and logistics business covers integrated logistics services, such as the provision of container transportation, freight forwarding, shipping agency, depot and warehousing, etc. During the six months ended 30 June 2021, the Group's container shipping and logistics business continued to provide container transportation and integrated logistics services that focus exclusively on the Asia market as the Company believes that the Asia trade market will continue to experience healthy growth.

As of 30 June 2021, the Group operated 75 trade lanes, including 12 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 72 major ports in the Mainland China, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei and Bengal. As of 30 June 2021, the Group operated a fleet of 95 vessels with a total capacity of 142,085 TEU, comprised of 66 self-owned (98,293 TEU) and 29 chartered vessels (43,792 TEU), with an average age of 11.5 years. 51 of these 95 vessels were of the 1,000 TEU type. For the six months ended 30 June 2021, US\$83.6 million out of US\$92.3 million of paid out capital expenditure was attributable to vessel purchases. In addition, the Group also operated (including through joint ventures) approximately 1,250,000 m² of depot and 127,500 m² of warehousing space.

Revenue generated by the Group's container shipping and logistics business for the first half of 2021 increased by approximately 80.4% from approximately US\$732.0 million for the six months ended 30 June 2020 to approximately US\$1,320.5 million for the corresponding period in 2021. The increase was a result of a combined effect, from container shipping and supporting logistics business, where (i) container shipping volume achieved an increase of 29.4% growth from 1,152,242 TEUs for the six months ended 30 June 2020 to 1,491,433 TEUs for the corresponding period in 2021 and (ii) an increase in average freight rate (excluding slot exchange fee income) by approximately 42.3% from US\$541.3/TEU for the six months ended 30 June 2020 to US\$770.4/TEU for the corresponding period in 2021.

(ii) Dry bulk and other business

The Group's dry bulk and other business covers the provision of dry bulk vessel leasing and land leasing services. As of 30 June 2021, the Group had 6 dry bulk vessels with a total tonnage of 439,039 tons and an average age of 8.7 years.

Revenue generated by the Group's dry bulk and other business for the first half of 2021 increased by approximately 25.5% from approximately US\$11.0 million for the six months ended 30 June 2020 to approximately US\$13.8 million. The increase was primarily attributable to the increase in average daily charter hire of dry bulk vessels.

In the first half of the year, global demand for container shipping and logistics has shown an explosive growth. The Company has adhered to its unique high-density, high frequency and sea-land integrated business model. To meet customer's demand for supply chain management, the Company will continue to optimise its service network in Asia and enhance its capacity of deployment. At the same time, taking into account of the Company's future development plan and the supply and demand relationship in the industry, the Company will capture opportunities to build vessels at lower cost and replenish orders for new vessels. Upholding its corporate culture of being people-oriented, the Company keeps on improving its organizing ability and competency in digital application to reinforce the cohesion of the Company and maintain its operating efficiency, which gradually realises the goal in becoming a world-class integrated logistics service solutions provider.

Financial Overview

	For the six months ended 30 June					
	2021	2020	2021	2020	2021	2020
	Container shipping and logistics		Dry bulk and others		Total	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	1,320,468	731,960	13,769	10,983	1,334,237	742,943
Cost of sales	(768,586)	(575,425)	(8,430)	(8,991)	777,016	(584,416)
Gross profit	551,882	156,535	5,339	1,992	557,221	158,527
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	5,600	6,142	1	7	5,601	6,149
Administrative expenses	(66,397)	(42,778)	(49)	(38)	(66,446)	(42,816)
Share of profits of:						
Joint ventures	6,983	4,161	–	36	6,983	4,197
Associates	156	162	–	–	156	162
Other expenses, net	(2,587)	(885)	108	–	(2,479)	(885)
Segment results	495,637	123,337	5,399	1,997	501,036	125,334
Finance costs					(7,850)	(6,926)
Bank interest, other investment income and fair value gain on a financial asset					3,258	6,120
Profit before tax					496,444	124,528
Income tax					(8,523)	(4,889)
Profit for the period					487,921	119,639
Profit attributable to:						
Shareholders of the Company					485,588	118,610
Non-controlling interests					2,333	1,029
					487,921	119,639

Revenue

The Group's total revenue increased by approximately 79.6% from approximately US\$742.9 million for the six months ended 30 June 2020 to approximately US\$1,334.2 million for the corresponding period in 2021. The increase was primarily attributable to the increase from container shipping and supporting logistics business in both average freight rate and container shipping volume.

Cost of Sales

The Group's cost of sales increased by approximately 33.0% from approximately US\$584.4 million for the six months ended 30 June 2020 to approximately US\$777.0 million for the corresponding period in 2021. The increase was primarily attributable to the increase in equipment and cargos transportation costs and bunker cost from container shipping and supporting logistics business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the gross profit increased from approximately US\$158.5 million for the six months ended 30 June 2020 to approximately US\$557.2 million for the six months ended 30 June 2021. The Group's gross profit margin increased from approximately 21.3% for the six months ended 30 June 2020 to approximately 41.8% for the corresponding period in 2021.

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 2021, other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) decreased by approximately US\$0.5 million from approximately US\$6.1 million for the six months ended 30 June 2020 to US\$5.6 million for the corresponding period in 2021. The decrease was mainly attributable to a year-on-year decrease of approximately US\$0.2 million for a 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\$3.3 million and US\$6.1 million for the six months ended 30 June 2021 and 2020, respectively. The decrease was mainly attributable to the decrease in average deposit interest rate.

Administrative Expenses

The Group's administrative expenses increased from approximately US\$42.8 million for the six months ended 30 June 2020 to approximately US\$66.4 million for the corresponding period in 2021, representing an increase of approximately 55.1%. The increase was primarily attributable to the overall increase in staff cost.

Other Expenses, net

The Group's other expenses, net were approximately US\$2.5 million and US\$0.9 million for the six months ended 30 June 2021 and 2020, respectively. The increase was mainly attributable to a year-on-year increase of approximately US\$2.0 million in the hedging losses of realization of Japanese Yen arising from early repayment of Japanese Yen loan.

Finance Costs

The Group's finance costs increased from approximately US\$6.9 million for the six months ended 30 June 2020 to approximately US\$7.9 million for the six months ended 30 June 2021. The increase was mainly attributable to the increase interest on lease liabilities.

Share of Profits of Joint Ventures

The Group's share of profits of joint ventures increased by approximately 66.7% from approximately US\$4.2 million for the six months ended 30 June 2020 to approximately US\$7.0 million in for the six months ended 30 June 2021. 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\$0.2 million for both the six months ended 30 June 2021 and 2020. 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\$124.5 million for the six months ended 30 June 2020 to approximately US\$496.4 million for the corresponding period in 2021.

Income Tax Expenses

The Group's income tax expense was approximately US\$8.5 million and US\$4.9 million for the six months ended 30 June 2021 and 2020, respectively. The increase was primarily attributable to the increase in taxable profit of the Group.

Profit for the Period

The Group's profit for the six months ended 30 June 2021 was approximately US\$487.9 million, representing an increase of approximately US\$368.3 million over the profit of US\$119.6 million for the corresponding period in 2020.

Container Shipping and Logistics

The following table sets forth selected income statement data for the Group's container shipping and logistics segment for the periods indicated:

	Six months ended 30 June			
	2021	<i>% of</i>	2020	<i>% of</i>
	Amount	<i>segment</i>	Amount	<i>segment</i>
	<i>(US\$'000)</i>	<i>revenue</i>	<i>(US\$'000)</i>	<i>revenue</i>
	(Unaudited)		(Unaudited)	
Income Statement Data:				
Segment revenue	1,320,468	100%	731,960	100%
Container shipping and supporting logistics income	1,188,105	90.0%	655,694	89.6%
Other container logistics income	132,363	10.0%	76,266	10.4%
Cost of Sales	(768,586)	(58.2%)	(575,425)	(78.6%)
Equipment and cargos transportation costs	(395,362)	(29.9%)	(308,102)	(42.1%)
Voyage costs	(158,267)	(12.0%)	(119,288)	(16.3%)
Container shipping vessels cost	(114,646)	(8.7%)	(83,362)	(11.4%)
Other container logistics costs	(100,311)	(7.6%)	(64,673)	(8.8%)
Gross Profit	551,882	41.8%	156,535	21.4%
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	5,600	0.4%	6,142	0.8%
Administrative expenses	(66,397)	(5.0%)	(42,778)	(5.9%)
Other expenses, net	(2,587)	(0.2%)	(885)	(0.1%)
Share of profits of:				
Joint ventures	6,983	0.5%	4,161	0.6%
Associates	156	0.1%	162	0.1%
Segment results	495,637	37.5%	123,337	16.9%

Segment results

The following table sets forth the number of trade lanes and port calls per week of the Group as at 30 June 2020 and 2021, and the average freight rate for the six months ended 30 June 2020 and 2021:

Six months ended 30 June		As of 30 June			
2021	2020	2021	2020	2021	2020
Average freight rate		Number of trade lanes		Port calls per week	
<i>(US\$ per TEU, excluding slot exchange rate)</i>					
770.4	541.3	75	70	460	426

Revenue

Revenue of the Group's container shipping and logistics business increased by approximately 80.4% from approximately US\$732.0 million for the six months ended 30 June 2020 to approximately US\$1,320.5 million for the six months ended 30 June 2021. This increase was a combined effect of (i) the increase in container shipping volume from 1,152,242 TEUs for the six months ended 30 June 2020 to 1,491,433 TEUs for the corresponding period in 2021; and (ii) increase in average container shipping freight rate (excluding slot exchange fee income) from US\$541.3/TEU for the six months ended 30 June 2020 to US\$770.4/TEU for the corresponding period in 2021.

Cost of Sales

The cost of sales of the Group's container shipping and logistics business increased by approximately 33.6% from approximately US\$575.4 million for the six months ended 30 June 2020 to approximately US\$768.6 million for the corresponding period in 2021. Such increase was primarily attributable to the increase in equipment and cargos transportation costs and bunker cost.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group recorded gross profit of approximately US\$551.9 million for its container shipping and logistics business for the six months ended 30 June 2021, representing an increase of approximately US\$395.4 million as compared to approximately US\$156.5 million for the corresponding period in 2020. The gross profit margin of the Group's container shipping and logistics business was approximately 41.8% and 21.4% for the six months ended 30 June 2021 and 2020, respectively.

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 2021, the other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) decreased to approximately US\$5.6 million from approximately US\$6.1 million for the corresponding period in 2020. The decrease was mainly attributable to a year-on-year decrease of approximately US\$0.2 million for a foreign exchange gain.

Administrative Expenses

Administrative expenses of the Group's container shipping and logistics business increased from approximately US\$42.8 million for the six months ended 30 June 2020 to approximately US\$66.4 million in the corresponding period of 2021. The change in the amount was mainly attributable to the overall increase in staff cost.

Other Expenses, net

Other expenses, net increased from approximately US\$0.9 million for the six months ended 30 June 2020 to approximately US\$2.6 million for the corresponding period in 2021. The increase was mainly attributable to a year-on-year increase of approximately US\$2.0 million in the hedging losses of realization of Japanese Yen arising from early repayment of Japanese Yen loan.

Share of Profits of Joint Ventures

The Group's container shipping and logistics business's share of profits of joint ventures was approximately US\$7.0 million and US\$4.2 million for the six months ended 30 June 2021 and 2020, respectively. The change in the amount was mainly attributable to the growth in the profits of part of the jointly controlled depots.

Share of Profits of Associates

The Group's container shipping and logistics business' share of profits of associates was approximately US\$0.2 million for both the six months ended 30 June 2021 and 2020. There was no material change in the amount.

Segment Results

As a result of the foregoing, the segment results of the Group's container shipping and logistics business increased by approximately 301.9% from approximately US\$123.3 million for the six months ended 30 June 2020 to approximately US\$495.6 million in the corresponding period in 2021.

Dry Bulk and Others

The following table sets forth selected income statement data for the Group's dry bulk and others segment for the periods indicated:

	Six months ended 30 June			
	2021	%	2020	%
	Amount	<i>of</i>	Amount	<i>of</i>
	<i>(US\$'000)</i>	<i>segment</i>	<i>(US\$'000)</i>	<i>segment</i>
	(Unaudited)	<i>revenue</i>	(Unaudited)	<i>revenue</i>
Income Statement Data:				
Segment revenue	13,769	100%	10,983	100%
Dry bulk business	12,945	94.0%	10,216	93.0%
Other businesses	824	6.0%	767	7.0%
Cost of Sales	(8,430)	(61.2%)	(8,991)	(81.9%)
Dry bulk business	(8,032)	(58.3%)	(8,629)	(78.6%)
Other businesses	(398)	(2.9%)	(362)	(3.3%)
Gross Profit	5,339	38.8%	1,992	18.1%
Other income and gains (excluding bank interest income, investment income and fair value gain on a financial asset)	1	0.1%	7	0.1%
Administrative expenses	(49)	(0.4%)	(38)	(0.3%)
Other expenses, net	108	0.8%	–	–
Share of profit and losses of:				
Joint ventures	–	–	36	0.3%
Segment results	5,399	39.2%	1,997	18.2%

Revenue

The revenue of the Group's dry bulk and others business increased by approximately 25.5% from approximately US\$11.0 million for the six months ended 30 June 2020 to approximately US\$13.8 million for the corresponding period in 2021. This increase was mainly attributable to the following:

- *Dry bulk business.* Revenue of the Group's dry bulk business increased by approximately 26.5% from approximately US\$10.2 million for the six months ended 30 June 2020 to approximately US\$12.9 million for the corresponding period in 2021. This primarily reflected the increase in the average daily charter rate of dry bulk vessels.
- *Other businesses.* Revenue of the Group's other businesses was approximately US\$0.8 million for both the six months ended 30 June 2021 and 2020, respectively. There was no material fluctuation in the amount.

Cost of Sales

The cost of sales of the Group's dry bulk and others business decreased by approximately 6.7% from approximately US\$9.0 million for the six months ended 30 June 2020 to approximately US\$8.4 million for the corresponding period in 2021. The decrease was mainly a combined effect of the following:

- *Dry bulk business.* Cost of sales of dry bulk business decreased by approximately 7.0% from approximately US\$8.6 million for the six months ended 30 June 2020 to approximately US\$8.0 million for the corresponding period in 2021, primarily reflected a year-on-year decrease of approximately US\$0.8 million for bunker cost arising from changes in the bunker price when delivery and redelivery of vessels.
- *Other businesses.* Cost of sales of the Group's other businesses was approximately US\$0.4 million for both the six months ended 30 June 2021 and 2020. There was no material change in the amount.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the gross profit of the Group's dry bulk and others business increased by approximately 165.0% from approximately US\$2.0 million for the six months ended 30 June 2020 to approximately US\$5.3 million for the corresponding period in year 2021. The gross profit margin of the Group's dry bulk and others business increased from approximately 18.1% for the six months ended 30 June 2020 to approximately 38.8% for the corresponding period in 2021.

Administrative Expenses

Administrative expenses of the Group's dry bulk and others business was less than approximately US\$0.1 million for both the six months ended 30 June 2021 and 2020. There was no material change in the amount.

Other Expenses, net

The Group's other expenses for the dry bulk and others business recorded profit of approximately US\$0.1 million for the six months ended 30 June 2021, which was mainly due to the reversal of impairment loss of trade receivables arising from collection of previously impaired trade receivables.

Segment Results

As a result of the foregoing, the segment results of the Group's dry bulk and others business increased by approximately 170.0% from approximately US\$2.0 million for the six months ended 30 June 2020 to approximately US\$5.4 million for the corresponding period in 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Total assets of the Group increased by approximately 16.5% from approximately US\$2,040.8 million as at 31 December 2020 to approximately US\$2,376.9 million as at 30 June 2021. As at 30 June 2021, the Group had cash and cash equivalents amounting to approximately US\$716.6 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group increased by approximately 4.8% from approximately US\$845.5 million as at 31 December 2020 to approximately US\$886.2 million as at 30 June 2021. At 30 June 2021, the Group had secured interest-bearing bank loans of approximately US\$368.8 million. The maturity profile is spread over a period, with approximately US\$64.8 million repayable within one year or on demand, approximately US\$56.3 million within the second year, approximately US\$136.3 million within the third to fifth years and approximately US\$111.4 million beyond five 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 2021, the Group hedged approximately 9% (31 December 2020: 13%) of its foreign currency sales for which firm commitments existed at the end of the reporting period.

As at 30 June 2021, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 2.1 compared to that of 1.8 as at 31 December 2020. 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, lease liabilities, provision for reinstatement costs, 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 10% and 21% as at 30 June 2021 and 31 December 2020, respectively.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no significant contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2021, the Group's bank loans were secured by mortgages over the Group's container vessels which had an aggregate carrying value at the end of the reporting period of approximately US\$721.1 million (31 December 2020: US\$768.8 million).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2021, the Group had an aggregate of 1,765 full-time employees (exclude crew member, 30 June 2020: 1,589). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$81.6 million (30 June 2020: US\$55.1 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 Group has in place a pre-IPO share option scheme, post-IPO share option scheme and adopted a share award scheme on 13 September 2017 (the "**Share Award Scheme**"). Further information of those share option schemes and the Share Award Scheme will be available in the interim report of the Company.

SIGNIFICANT INVESTMENTS

For the six months ended 30 June 2021, a total of 1 new container vessel and 1 second hand container vessel were delivered. During the six months ended 30 June 2021, the Company also entered into shipbuilding contracts with Dae Sun Shipbuilding & Engineering Co., Ltd for building of 8 container vessels and entered into option contracts for 2 additional container vessels. Subsequently, the Company announced to exercise the option for building of 8 container vessels with Yangzijiang Shipbuilding, and further announced to exercise options for building of the 2 additional container vessels with Dae Sun Shipbuilding & Engineering Co., Ltd., totaling an aggregate of 10 container vessels options. As at 30 June 2021, the Company has a total of 37 container vessels to be delivered in the coming year.

Save as otherwise, the Group did not have other significant investments during the six months ended 30 June 2021.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2021, the Group did not have any material acquisitions and disposals of its subsidiaries and associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company will continue to purchase container vessels, containers and invest in logistic projects, as and when appropriate. The Company expects that the internal financial resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed, the Company does not have any future plans for significant investments or capital assets as at the date of this announcement.

INTERIM DIVIDEND

At the meeting of the Board held on 16 August 2021, the Board has resolved to declare an interim dividend of HK100 cents (equivalent to US12.88 cents) (six months ended 30 June 2020: HK22 cents) per share for the six months ended 30 June 2021 to shareholders whose name appear on the register of members of the Company at the close of business on 2 September 2021(Thursday). The dividend is expected to be paid on or before 10 September 2021 (Friday).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the proposed interim dividend, the register of members of the Company will be closed from 31 August 2021 (Tuesday) to 2 September 2021 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 30 August 2021 (Monday).

OTHER INFORMATION

Purchase, Sale and Redemption of Shares

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

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 period throughout the six months ended 30 June 2021, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules and there has been no deviation from the code provisions set out in the CG Code for the six months ended 30 June 2021.

Model Code for Securities Transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules (the “**Appendix 10**”) and devised its own code of conduct regarding directors’ dealings in the Company’s securities (the “**Company Code**”) on terms no less exacting than the Model Code as set out in Appendix 10. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company Code throughout the six months ended 30 June 2021.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors. The members currently are Dr. LIU Ka Ying, Rebecca (chairlady of the Audit Committee), Mr. TSE Siu Ngan and Dr. HU Mantian (Mandy). 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 for the six months ended 30 June 2021.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.sitc.com>). The interim report of the Company for the six months ended 30 June 2021 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available for review on the aforesaid websites in due course.

By Order of the Board
SITC International Holdings Company Limited
Yang Shaopeng
Chairman

Hong Kong, 16 August 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. Yang Shaopeng, Mr. Yang Xianxiang, Mr. Liu Kecheng, Mr. Xue Mingyuan and Mr. Lai Zhiyong; the non-executive Director is Ms. Yang Xin; and the independent non-executive Directors are Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy).