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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 2022**

#### **Financial Highlights**

- Revenue for the six months ended 30 June 2022 was approximately US\$2,257.7 million, increased by approximately 69.2% as compared to approximately US\$1,334.2 million for the corresponding period in 2021.
- Gross profit for the six months ended 30 June 2022 increased by approximately 116.2% from approximately US\$557.2 million for the six months ended 30 June 2021 to approximately US\$1,204.4 million, which translated to an increase in gross profit margin to approximately 53.3% for the six months ended 30 June 2022 from approximately 41.8% for the six months ended 30 June 2021.
- Profit for the six months ended 30 June 2022 increased by approximately 139.9% to approximately US\$1,170.3 million from approximately US\$487.9 million for the corresponding period in 2021.
- Basic earnings per share for the six months ended 30 June 2022 amounted to US43.95 cents (30 June 2021: US18.24 cents).
- An interim dividend of HK\$2.40 per share (equivalent to US\$0.31 per share) was declared for the six months ended 30 June 2022.

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 2022, together with the comparative figures for the corresponding period in 2021 as below.

## FINANCIAL INFORMATION

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	<i>Notes</i>	2022 <i>US\$'000</i> (Unaudited)	2021 <i>US\$'000</i> (Unaudited)
REVENUE	3	2,257,663	1,334,237
Cost of sales		<u>(1,053,244)</u>	<u>(777,016)</u>
Gross profit		1,204,419	557,221
Other income and gains, net		53,284	8,859
Administrative expenses		(79,214)	(66,446)
Other expenses, net		(1,183)	(2,479)
Finance costs	4	(7,780)	(7,850)
Share of profits and losses of:			
Joint ventures		11,519	6,983
Associates		<u>240</u>	<u>156</u>
PROFIT BEFORE TAX	5	1,181,285	496,444
Income tax	6	<u>(11,003)</u>	<u>(8,523)</u>
PROFIT FOR THE PERIOD		<u><u>1,170,282</u></u>	<u><u>487,921</u></u>

		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2022</b>	2021
		<b>US\$'000</b>	<b>US\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
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		<b>14,575</b>	8,949
Reclassification adjustments for losses/(gains) included in profit or loss	5	<u><b>(447)</b></u>	<u>2,876</u>
		<u><b>14,128</b></u>	<u>11,825</u>
Exchange differences on translation of foreign operations		<b>(7,588)</b>	416
Share of other comprehensive loss of joint ventures		<b>(906)</b>	(133)
Share of other comprehensive loss of associates		<u><b>(464)</b></u>	<u>(31)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u><b>5,170</b></u>	<u>12,077</u>

	<b>Six months ended 30 June</b>	
<i>Note</i>	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>5,170</u>	<u>12,077</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>1,175,452</u></u>	<u><u>499,998</u></u>
Profit for the period attributable to:		
Shareholders of the Company	<u>1,167,351</u>	485,588
Non-controlling interests	<u>2,931</u>	<u>2,333</u>
	<u><u>1,170,282</u></u>	<u><u>487,921</u></u>
Total comprehensive income for the period attributable to:		
Shareholders of the Company	<u>1,173,129</u>	497,599
Non-controlling interests	<u>2,323</u>	<u>2,399</u>
	<u><u>1,175,452</u></u>	<u><u>499,998</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	8	
Basic (US cents per share)	<u><u>43.95</u></u>	<u><u>18.24</u></u>
Diluted (US cents per share)	<u><u>43.51</u></u>	<u><u>18.10</u></u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>30 June 2022 US\$'000 (Unaudited)</b>	31 December 2021 US\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,126,235</b>	1,087,704
Right-of-use assets		<b>236,248</b>	233,189
Advance payments for acquisition of vessels		<b>179,259</b>	145,152
Goodwill		<b>1,058</b>	1,111
Other intangible assets		<b>1,579</b>	1,579
Investments in joint ventures		<b>58,434</b>	49,929
Investments in associates		<b>10,270</b>	10,494
Derivative financial instruments		<b>9,483</b>	1,907
		<hr/>	<hr/>
Total non-current assets		<b>1,622,566</b>	1,531,065
<b>CURRENT ASSETS</b>			
Bunkers		<b>62,652</b>	41,476
Trade receivables	9	<b>236,000</b>	157,038
Prepayments, deposits and other receivables		<b>48,560</b>	34,929
Derivative financial instruments		<b>2,520</b>	329
Financial assets at fair value through profit or loss		<b>23,732</b>	32,105
Cash and bank balances		<b>1,213,557</b>	919,481
		<hr/>	<hr/>
Total current assets		<b>1,587,021</b>	1,185,358
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>273,272</b>	201,857
Other payables and accruals		<b>149,260</b>	173,445
Derivative financial instruments		<b>684</b>	51
Bank borrowings		<b>42,013</b>	83,211
Lease liabilities		<b>48,495</b>	48,186
Dividend payables		<b>–</b>	270,829
Income tax payables		<b>5,612</b>	7,695
		<hr/>	<hr/>
Total current liabilities		<b>519,336</b>	785,274

	<i>Notes</i>	<b>30 June 2022 US\$'000 (Unaudited)</b>	31 December 2021 US\$'000 (Audited)
NET CURRENT ASSETS		<u>1,067,685</u>	<u>400,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,690,251</u>	<u>1,931,149</u>
NON-CURRENT LIABILITIES			
Derivative financial instruments		–	195
Bank borrowings		289,524	244,060
Lease liabilities		173,491	168,409
Provision for reinstatement costs		<u>2,900</u>	<u>2,801</u>
Total non-current liabilities		<u>465,915</u>	<u>415,465</u>
Net assets		<u>2,224,336</u>	<u>1,515,684</u>
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital		34,582	34,581
Reserves		<u>2,174,369</u>	<u>1,467,106</u>
		<u>2,208,951</u>	1,501,687
Non-controlling interests		<u>15,385</u>	<u>13,997</u>
Total equity		<u>2,224,336</u>	<u>1,515,684</u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 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 KY-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 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, 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 2022 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 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 2021.

### 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 2021, 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 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there was no business combination during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.



(d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
- *HKFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

## **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 the 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, land leasing and other 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, dividend payables, 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	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June
	2022	2021	2022	2021	2022	2021
	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)
<b>Segment revenue (note 3):</b>						
Sales to external customers	<u>2,247,722</u>	<u>1,320,468</u>	<u>9,941</u>	<u>13,769</u>	<u>2,257,663</u>	<u>1,334,237</u>
<b>Segment results</b>	<u>1,166,949</u>	<u>495,637</u>	<u>16,863</u>	<u>5,399</u>	<u>1,183,812</u>	<u>501,036</u>
<i>Reconciliation:</i>						
Bank interest income					5,123	2,859
Investment income of principal-protected investment deposits at fair value through profit or loss					130	138
Fair value gain on a financial asset at fair value through profit or loss					-	261
Finance costs					<u>(7,780)</u>	<u>(7,850)</u>
Profit before tax					<u>1,181,285</u>	<u>496,444</u>
	Container shipping and logistics		Dry bulk and others		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2022	2021	2022	2021	2022	2021
	US\$'000 (Unaudited)	US\$'000 (Audited)	US\$'000 (Unaudited)	US\$'000 (Audited)	US\$'000 (Unaudited)	US\$'000 (Audited)
<b>Segment assets</b>	<u>1,929,323</u>	<u>1,663,337</u>	<u>20,364</u>	<u>117,190</u>	<u>1,949,687</u>	<u>1,780,527</u>
<i>Reconciliation:</i>						
Corporate and other unallocated assets					<u>1,259,900</u>	<u>935,896</u>
Total assets					<u>3,209,587</u>	<u>2,716,423</u>
<b>Segment liabilities</b>	<u>606,869</u>	<u>560,283</u>	<u>1,511</u>	<u>3,536</u>	<u>608,380</u>	<u>563,819</u>
<i>Reconciliation:</i>						
Corporate and other unallocated liabilities					<u>376,871</u>	<u>636,920</u>
Total liabilities					<u>985,251</u>	<u>1,200,739</u>

### 3. REVENUE

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Revenue from contracts with customers	<b>2,247,722</b>	1,320,468
Revenue from other sources:		
Time charter income	<b>9,110</b>	12,945
Other rental income	<b>831</b>	824
	<hr/>	<hr/>
	<b>2,257,663</b>	1,334,237
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### 4. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Interest on bank borrowings	<b>3,168</b>	3,895
Interest on lease liabilities	<b>4,553</b>	3,899
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	<b>59</b>	56
	<hr/>	<hr/>
Total finance costs	<b>7,780</b>	7,850
	<hr/> <hr/>	<hr/> <hr/>

## 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>US\$'000</b>	US\$'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of services provided:		
Cost of bunkers consumed	<b>212,021</b>	119,097
Others	<b>841,223</b>	657,919
	<u><b>1,053,244</b></u>	<u>777,016</u>
Depreciation of property, plant and equipment	<b>41,443</b>	38,068
Less: Included in cost of services provided	<b>(39,500)</b>	(36,224)
	<u><b>1,943</b></u>	<u>1,844</u>
Depreciation of right-of-use assets	<b>28,342</b>	25,946
Less: Included in cost of services provided	<b>(26,310)</b>	(24,005)
	<u><b>2,032</b></u>	<u>1,941</u>
Fair value losses/(gains) of cash flow hedges (transfer from equity), net	<b>(447)</b>	2,876*
Reversal of impairment of trade receivables, net*	<b>(16)</b>	(111)
Reversal of written off of trade receivables*	<b>–</b>	(303)
	<u><b>–</b></u>	<u>(303)</u>

\* 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.

## 6. INCOME TAX

	Six months ended 30 June	
	2022	2021
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Current:		
Mainland China	2,009	1,467
Hong Kong	360	910
Elsewhere	8,634	6,146
	<hr/>	<hr/>
Total tax expense for the period	<u>11,003</u>	<u>8,523</u>

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2021: 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 2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2021: 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 2022 amounting to US\$3,330,000 (six months ended 30 June 2021: US\$2,115,000) 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.

## 7. INTERIM DIVIDEND

At the meeting of the board of directors of the Company (the “**Board**”) held on 16 August 2022 (Tuesday), the Board resolved to declare an interim dividend of HK\$2.40 (equivalent to US\$0.31) (six months ended 30 June 2021: HK\$1.00, equivalent to US\$0.13) per share, totaling US\$820,424,000 (six months ended 30 June 2021: US\$345,457,000).

## 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:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Earnings</b>		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<b>1,167,351</b>	485,588
	<b>2,656,295,482</b>	2,662,354,381
	<b>767,815</b>	1,328,373
	<b>26,133,467</b>	19,453,060
	<b>2,683,196,764</b>	2,683,135,814
<b>Shares</b>		
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	<b>2,656,295,482</b>	2,662,354,381
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>767,815</b>	1,328,373
Shares held under the share award scheme	<b>26,133,467</b>	19,453,060
Weighted average number of ordinary shares during the period, used in the diluted earnings per share calculation	<b>2,683,196,764</b>	2,683,135,814

## 9. TRADE RECEIVABLES

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:

	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>202,458</b>	135,589
1 to 2 months	<b>26,035</b>	15,835
2 to 3 months	<b>5,257</b>	3,853
Over 3 months	<b>2,250</b>	1,761
	<b>236,000</b>	157,038

## 10. TRADE PAYABLES

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

	<b>30 June 2022</b>	31 December 2021
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 1 month	<b>217,940</b>	164,050
1 to 2 months	<b>30,808</b>	24,708
2 to 3 months	<b>8,214</b>	3,431
Over 3 months	<b>16,310</b>	9,668
	<hr/> <b>273,272</b> <hr/>	<hr/> 201,857 <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

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

The Company has two business segments, including (i) container shipping and logistics segment; and (ii) dry bulk and others segment.

### *Business Review*

#### *(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 2022, 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 2022, the Group operated 77 trade lanes, including 14 trade lanes through joint services and 24 trade lanes through container slot exchange arrangements. These trade lanes and land-based integrated logistics business network covered 75 major ports in the Mainland China, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei, Bengal, Myanmar and Russia. As of 30 June 2022, the Group operated a fleet of 97 vessels with a total capacity of 140,524 TEU, comprised of 74 self-owned (116,093 TEU) and 23 chartered vessels (24,431 TEU), with an average age of 11.7 years. 57 of these 97 vessels were of the 1,000 TEU type. For the six months ended 30 June 2022, US\$207.4 million out of US\$217.0 million of paid out capital expenditure was attributable to vessel purchases. In addition, the Group also operated (including through joint ventures) approximately 1,466,249 m<sup>2</sup> of depot and 143,700 m<sup>2</sup> of warehousing space.



Revenue generated by the Group's container shipping and logistics business for the first half of 2022 increased by approximately 70.2% from approximately US\$1,320.5 million for the six months ended 30 June 2021 to approximately US\$2,247.7 million for the corresponding period in 2022. 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 approximately 8.1% growth from 1,491,433 TEUs for the six months ended 30 June 2021 to 1,611,495 TEUs for the corresponding period in 2022; and (ii) average freight rate (excluding slot exchange fee income) increased by approximately 60.8% from US\$770.4/TEU for the six months ended 30 June 2021 to US\$1,239.1/TEU for the corresponding period in 2022.

(ii) *Dry bulk and others business*

The Group's dry bulk and others business covers the provision of dry bulk vessel leasing and land leasing services. As at 30 June 2022, the Group focused on container shipping and logistics business and therefore did not hold any dry bulk vessels after disposing of all of its dry bulk vessels in succession during the first half of 2022.

Revenue generated from the Group's dry bulk and others business for the first half of 2022 decreased by approximately 28.3% from approximately US\$13.8 million for the six months ended 30 June 2021 to approximately US\$9.9 million. The decrease was primarily attributable to the decrease in operating days due to the disposal of dry bulk vessels in succession.

The Company will continue to focus on its business in Asia, optimize its unique operation model, enhance its service network and density, and extend the sea-land integrated value chain to meet customers' needs for high-quality services. At the same time, the new vessels delivered to the Company have replaced some of the chartered vessels, so that the proportion of chartered and old vessels is gradually reduced, which can maintain long-term cost advantages and reduce hazardous gas emissions to ensure the sustainable development of the Company. In addition, in order to enhance its operational efficiency, the Company will continue to improve its organizational process, talent reserve and information technology systems, and strive for the goal in becoming a world-class integrated logistics service solutions provider.

## Financial Overview

	For the six months ended 30 June					
	2022	2021	2022	2021	2022	2021
	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)
<b>Revenue</b>	<b>2,247,722</b>	1,320,468	<b>9,941</b>	13,769	<b>2,257,663</b>	1,334,237
Cost of sales	<b>(1,047,496)</b>	(768,586)	<b>(5,748)</b>	(8,430)	<b>(1,053,244)</b>	(777,016)
<b>Gross profit</b>	<b>1,200,226</b>	551,882	<b>4,193</b>	5,339	<b>1,204,419</b>	557,221
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	<b>35,228</b>	5,600	<b>12,803</b>	1	<b>48,031</b>	5,601
Administrative expenses	<b>(79,081)</b>	(66,397)	<b>(133)</b>	(49)	<b>(79,214)</b>	(66,446)
Share of profits of:						
Joint ventures	<b>11,519</b>	6,983	-	-	<b>11,519</b>	6,983
Associates	<b>240</b>	156	-	-	<b>240</b>	156
Other expenses, net	<b>(1,183)</b>	(2,587)	-	108	<b>(1,183)</b>	(2,479)
Segment results	<b>1,166,949</b>	495,637	<b>16,863</b>	5,399	<b>1,183,812</b>	501,036
Finance costs					<b>(7,780)</b>	(7,850)
Bank interest, other investment income and fair value gain on a financial asset					<b>5,253</b>	3,258
Profit before tax					<b>1,181,285</b>	496,444
Income tax					<b>(11,003)</b>	(8,523)
<b>Profit for the period</b>					<b>1,170,282</b>	487,921
<b>Profit attributable to:</b>						
Shareholders of the Company					<b>1,167,351</b>	485,588
Non-controlling interests					<b>2,931</b>	2,333
					<b>1,170,282</b>	487,921

### ***Revenue***

The Group's total revenue increased by approximately 69.2% from approximately US\$1,334.2 million for the six months ended 30 June 2021 to approximately US\$2,257.7 million for the corresponding period in 2022. 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 35.5% from approximately US\$777.0 million for the six months ended 30 June 2021 to approximately US\$1,053.2 million for the corresponding period in 2022. 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\$557.2 million for the six months ended 30 June 2021 to approximately US\$1,204.4 million for the six months ended 30 June 2022. The Group's gross profit margin increased from approximately 41.8% for the six months ended 30 June 2021 to approximately 53.3% for the corresponding period in 2022.

### ***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 2022, other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) increased by approximately US\$42.4 million from approximately US\$5.6 million for the six months ended 30 June 2021 to approximately US\$48.0 million for the corresponding period in 2022. The increase was mainly attributable to the gains of approximately US\$42.9 million on disposal of 1 container vessel and 5 dry bulk vessels during the first half of 2022, which was nil for the corresponding period in 2021.

### ***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\$5.3 million and US\$3.3 million for the six months ended 30 June 2022 and 2021, respectively. The increase was mainly attributable to the rising in average deposit interest rate.

### ***Administrative Expenses***

The Group's administrative expenses increased from approximately US\$66.4 million for the six months ended 30 June 2021 to approximately US\$79.2 million for the corresponding period in 2022, representing an increase of approximately 19.3%. The increase was primarily attributable to the overall increase in staff cost.

### ***Other Expenses, net***

The Group's other expenses, net were approximately US\$1.2 million and US\$2.5 million for the six months ended 30 June 2022 and 2021, respectively. The decrease was mainly because the hedging losses of realization of Japanese Yen recorded in the first half of 2021 did not occur in the corresponding period in 2022.

### ***Finance Costs***

The Group's finance costs remained relatively stable at approximately US\$7.9 million for the six months ended 30 June 2021 and approximately US\$7.8 million for the six months ended 30 June 2022.

### ***Share of Profits of Joint Ventures***

The Group's share of profits of joint ventures increased by approximately 64.3% from approximately US\$7.0 million for the six months ended 30 June 2021 to approximately US\$11.5 million in for the six months ended 30 June 2022. The increase was mainly attributable to the growth in the profits of part of the jointly controlled freight forwarding companies.

### ***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 2022 and 2021. 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\$496.4 million for the six months ended 30 June 2021 to approximately US\$1,181.3 million for the corresponding period in 2022.

## *Income Tax Expenses*

The Group's income tax expense was approximately US\$11.0 million and US\$8.5 million for the six months ended 30 June 2022 and 2021, 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 2022 was approximately US\$1,170.3 million, representing an increase of approximately US\$682.4 million over the profit of approximately US\$487.9 million for the corresponding period in 2021.

## **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			
	2022	% of	2021	% of
	Amount	segment	Amount	segment
	(US\$'000)	revenue	(US\$'000)	revenue
	(Unaudited)		(Unaudited)	
<b>Income Statement Data:</b>				
<b>Segment revenue</b>	<b>2,247,722</b>	<b>100%</b>	1,320,468	100%
Container shipping and supporting logistics income	2,085,526	92.8%	1,188,105	90.0%
Other container logistics income	162,196	7.2%	132,363	10.0%
<b>Cost of Sales</b>	<b>(1,047,496)</b>	<b>(46.6%)</b>	(768,586)	(58.2%)
Equipment and cargos transportation costs	(493,588)	(22.0%)	(395,362)	(29.9%)
Voyage costs	(252,949)	(11.3%)	(158,267)	(12.0%)
Container shipping vessels cost	(179,830)	(8.0%)	(114,646)	(8.7%)
Other container logistics costs	(121,129)	(5.4%)	(100,311)	(7.6%)
<b>Gross Profit</b>	<b>1,200,226</b>	<b>53.4%</b>	551,882	41.8%
Other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset)	35,228	1.6%	5,600	0.4%
Administrative expenses	(79,081)	(3.5%)	(66,397)	(5.0%)
Other expenses, net	(1,183)	(0.1%)	(2,587)	(0.2%)
Share of profits of:				
Joint ventures	11,519	0.5%	6,983	0.5%
Associates	240	0.1%	156	0.1%
<b>Segment results</b>	<b>1,166,949</b>	<b>51.9%</b>	495,637	37.5%

## ***Segment results***

The following table sets forth the number of trade lanes and port calls per week of the Group as at 30 June 2021 and 2022, and the average freight rate for the six months ended 30 June 2021 and 2022:

<b>Six months ended 30 June</b>		<b>As of 30 June</b>			
<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Average freight rate</b>		<b>Number of trade lanes</b>		<b>Port calls per week</b>	
<i>(US\$ per TEU, excluding slot exchange rate)</i>					
<b>1,239.1</b>	770.4	<b>77</b>	75	<b>457</b>	460

## ***Revenue***

Revenue of the Group's container shipping and logistics business increased by approximately 70.2% from approximately US\$1,320.5 million for the six months ended 30 June 2021 to approximately US\$2,247.7 million for the six months ended 30 June 2022. This increase was a combined effect of (i) the increase in container shipping volume from 1,491,433 TEUs for the six months ended 30 June 2021 to 1,611,495 TEUs for the corresponding period in 2022; and (ii) the increase in average container shipping freight rate (excluding slot exchange fee income) from US\$770.4/TEU for the six months ended 30 June 2021 to US\$1,239.1/TEU for the corresponding period in 2022.

## ***Cost of Sales***

The cost of sales of the Group's container shipping and logistics business increased by approximately 36.3% from approximately US\$768.6 million for the six months ended 30 June 2021 to approximately US\$1,047.5 million for the corresponding period in 2022. 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\$1,200.2 million for its container shipping and logistics business for the six months ended 30 June 2022, representing an increase of approximately US\$648.3 million as compared to US\$551.9 million for the corresponding period in 2021. The gross profit margin of the Group's container shipping and logistics business was approximately 53.4% and 41.8% for the six months ended 30 June 2022 and 2021, 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 2022, the other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) increased to approximately US\$35.2 million from approximately US\$5.6 million for the corresponding period in 2021. The increase was mainly attributable to the gains of approximately US\$30.1 million on disposal of 1 container vessel during the first half of 2022, which was nil for the corresponding period in 2021.

***Administrative Expenses***

Administrative expenses of the Group's container shipping and logistics business increased from approximately US\$66.4 million for the six months ended 30 June 2021 to approximately US\$79.1 million in the corresponding period of 2022. The change in the amount was mainly attributable to the overall increase in staff cost.

***Other Expenses, net***

Other expenses, net decreased from approximately US\$2.6 million for the six months ended 30 June 2021 to approximately US\$1.2 million for the corresponding period in 2022. The decrease was mainly because the hedging losses of realization of Japanese Yen recorded in the first half of 2021 did not occur in the corresponding period in 2022.

***Share of Profits of Joint Ventures***

The Group's container shipping and logistics business's share of profits of joint ventures was approximately US\$11.5 million and US\$7.0 million for the six months ended 30 June 2022 and 2021, respectively. The change in the amount was mainly attributable to the growth in the profits of part of the jointly controlled freight forwarding companies.

***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 2022 and 2021. 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 135.5% from approximately US\$495.6 million for the six months ended 30 June 2021 to approximately US\$1,166.9 million in the corresponding period in 2022.

### 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:

	<b>Six months ended 30 June</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<i>% of</i>	<b>Amount</b>	<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>
<b>Income Statement Data:</b>				
<b>Segment revenue</b>	<b>9,941</b>	<b>100%</b>	13,769	100%
Dry bulk business	<b>9,110</b>	<b>91.6%</b>	12,945	94.0%
Others business	<b>831</b>	<b>8.4%</b>	824	6.0%
<b>Cost of Sales</b>	<b>(5,748)</b>	<b>(57.8%)</b>	(8,430)	(61.2%)
Dry bulk business	<b>(5,348)</b>	<b>(53.8%)</b>	(8,032)	(58.3%)
Others business	<b>(400)</b>	<b>(4.0%)</b>	(398)	(2.9%)
<b>Gross Profit</b>	<b>4,193</b>	<b>42.2%</b>	5,339	38.8%
Other income and gains (excluding bank interest income, investment income and fair value gain on a financial asset)	<b>12,803</b>	<b>128.8%</b>	1	0.1%
Administrative expenses	<b>(133)</b>	<b>(1.3%)</b>	(49)	(0.4%)
Other expenses, net	<b>—</b>	<b>—</b>	108	0.8%
<b>Segment results</b>	<b>16,863</b>	<b>169.6%</b>	5,399	39.2%



## ***Revenue***

The revenue of the Group's dry bulk and others business decreased by approximately 28.3% from approximately US\$13.8 million for the six months ended 30 June 2021 to approximately US\$9.9 million for the corresponding period in 2022. This decrease was mainly attributable to the following:

- *Dry bulk business.* Revenue of the Group's dry bulk business decreased by approximately 29.5% from approximately US\$12.9 million for the six months ended 30 June 2021 to approximately US\$9.1 million for the corresponding period in 2022. This primarily reflected the decrease in operating days due to the disposal of dry bulk vessels in succession.
- *Others business.* Revenue of the Group's other businesses was approximately US\$0.8 million for both the six months ended 30 June 2022 and 2021, 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 32.1% from approximately US\$8.4 million for the six months ended 30 June 2021 to approximately US\$5.7 million for the corresponding period in 2022. The decrease was mainly a combined effect of the following:

- *Dry bulk business.* Cost of sales of dry bulk business decreased by approximately 33.8% from approximately US\$8.0 million for the six months ended 30 June 2021 to approximately US\$5.3 million for the corresponding period in 2022, primarily reflecting a decrease in operating cost due to the disposal of dry bulk vessels in succession.
- *Others business.* Cost of sales of the Group's other businesses was approximately US\$0.4 million for both the six months ended 30 June 2022 and 2021. There was no significant 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 decreased by approximately 20.8% from approximately US\$5.3 million for the six months ended 30 June 2021 to approximately US\$4.2 million for the corresponding period in year 2022. The gross profit margin of the Group's dry bulk and others business increased from 38.8% for the six months ended 30 June 2021 to approximately 42.2% for the corresponding period in 2022.

### ***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 2022, the other income and gains (excluding bank interest income, other investment income and fair value gain on a financial asset) recorded a gain of approximately US\$12.8 million (six months ended 30 June 2021: approximately US\$1,000). This primarily reflected the gains of disposal of 5 dry bulk vessels of approximately US\$12.8 million during the first half of 2022.

### ***Administrative Expenses***

Administrative expenses of the Group's dry bulk and others business was US\$0.1 million for both the six months ended 30 June 2022 and 2021. There was no material change in the amount.

### ***Segment Results***

As a result of the foregoing, the segment results of the Group's dry bulk and others business increased by approximately 213.0% from approximately US\$5.4 million for the six months ended 30 June 2021 to approximately US\$16.9 million for the corresponding period in 2022.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

Total assets of the Group increased by approximately 18.2% from approximately US\$2,716.4 million as at 31 December 2021 to approximately US\$3,209.6 million as at 30 June 2022. As at 30 June 2022, the Group had cash and cash equivalents amounting to approximately US\$1,213.6 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group decreased by approximately 17.9% from approximately US\$1,200.7 million as at 31 December 2021 to approximately US\$985.3 million as at 30 June 2022. At 30 June 2022, the Group had secured interest-bearing bank loans of approximately US\$331.5 million. The maturity profile is spread over a period, with approximately US\$42.0 million repayable within one year or on demand, approximately US\$40.5 million within the second year, approximately US\$191.9 million within the third to fifth years and approximately US\$57.1 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 2022, the Group hedged approximately 3.1% (31 December 2021: 7.3%) of its foreign currency sales for which firm commitments existed at the end of the reporting period.

As at 30 June 2022, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 3.1 compared to that of 1.5 as at 31 December 2021. 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 remained stable at 0% as at 30 June 2022 and 31 December 2021, respectively.

## **CONTINGENT LIABILITIES**

As at 30 June 2022, the Group had no significant contingent liabilities.

## **CHARGE ON ASSETS**

As at 30 June 2022, 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\$588.0 million (31 December 2021: US\$702.5 million).

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 30 June 2022, the Group had an aggregate of 2,036 full-time employees (excluding crew member, 30 June 2021: 1,765). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$110.8 million (30 June 2021: US\$81.6 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 post-IPO share option scheme and adopted a share award scheme on 13 September 2017 (the "**Share Award Scheme**"). Further information of the post-IPO share option scheme and the Share Award Scheme will be available in the interim report of the Company for the six months ended 30 June 2022.

## **SIGNIFICANT INVESTMENTS**

For the six months ended 30 June 2022, a total of 7 new container vessels were delivered, with another 35 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 2022.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

For the six months ended 30 June 2022, the Group did not have any material acquisitions or disposals of its subsidiaries, associates or joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Company will continue to purchase container vessels and 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 2022, the Board has resolved to declare an interim dividend of HK\$2.40 (equivalent to US\$0.31) (six months ended 30 June 2021: HK\$1.00) per share for the six months ended 30 June 2022 to shareholders whose name appear on the register of members of the Company at the close of business on 2 September 2022 (Friday). The dividend is expected to be paid on 14 September 2022 (Wednesday).

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 for the six months ended 30 June 2022, the register of members of the Company will be closed from 31 August 2022 (Wednesday) to 2 September 2022 (Friday), 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 2022 (Tuesday).

## **OTHER INFORMATION**

### **Purchase, Sale and Redemption of Shares**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2022.

## **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 2022, 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 2022.

## **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 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. 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 2022.

## **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 2022.

## **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 2022 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 2022

*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).*