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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)

DISCLOSEABLE TRANSACTION EXERCISE OF OPTIONS FOR THE CONSTRUCTION OF TWO CONTAINER VESSELS

Exercise of Options

On 29 October 2024, SITC Shipowning exercised the Options for the construction of two container vessels at the aggregate consideration of US\$57.96 million (equivalent to HK\$450.35 million).

Implications under the Listing Rules

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the new construction under the Options, as aggregated with the Shipbuilding Contracts, are more than 5% but less than 25%, the exercise of the Options for the new construction of two container vessels constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 29 June 2024, SITC Shipowning and the Builder entered into the Shipbuilding Contracts for the construction of four container vessels at the aggregate consideration of US\$115.92 million (equivalent to HK\$900.70 million). As all the applicable percentage ratios in respect of the transactions under the Shipbuilding Contracts were below 5%, the Shipbuilding Contracts do not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. At the same time of the entering into of the Shipbuilding Contracts, the Builder has granted to SITC Shipowning the

Options, under which SITC Shipowning has the option, by notice to the Builder at the discretion of SITC Shipowning, for the construction of six additional container vessels.

On 29 October 2024, SITC Shipowning exercised the Options for the construction of two container vessels at the aggregate consideration of US\$57.96 million (equivalent to HK\$450.35 million).

The principal terms of the Option are as follows:

Exercise Date: 29 October 2024

Assets involved: The Builder will construct two 1,800 TEU container vessels with DWT of approximately 24,000 tons for the Group (the “**Option Vessels**”).

Delivery: Delivery of the two Option Vessels is expected to be made on or before 30 June 2027 and 31 August 2027, respectively.

Contract price: The contract price for each of the Option Vessels is US\$28.98 million (equivalent to HK\$225.18 million) and the aggregate contract price for the two Option Vessels to be constructed is US\$57.96 million (equivalent to HK\$450.35 million).

The contract price was determined after arm’s length negotiations between the parties with reference to the market prices for the construction of new vessels of similar size in the open market as determined by the Directors. The Directors, including the independent non-executive Directors, are of the view that the exercise of the Options were under normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Payment of the consideration will be in stages in five (5) installments in accordance with progress of the construction of the respective Option Vessel. The first instalment, representing 10% of the consideration, will be payable within nine (9) business days after receipt by SITC Shipowning the notice of payment for this installment from the Builder and a refund guarantee as security for refund of installments payable to the Builder prior to the delivery of the respective vessel. The second instalment, representing 10% of the consideration, will be payable upon the commencement of steel cutting of the respective Option Vessel. The third instalment, representing 10% of the consideration, will be payable upon the keel laying of the respective Option Vessel. The fourth instalment, representing 10% of the consideration, will be payable upon launching of the respective Option Vessel. The fifth instalment, representing the remaining 60% of the consideration, will be payable upon the physical delivery of the respective Option Vessel.

The contract price for the construction of the two Option Vessels will be satisfied by the internal resources of the Group and/or through external financing.

REASONS FOR EXERCISING THE OPTIONS

The Company is a leading shipping logistics company in Asia that provides integrated transportation and logistics solutions. The exercise of the Options is to expand the self-owned fleet of container vessels of the Group to meet the Group's operational requirements. Given that the contract price for the two Option Vessels to be constructed was determined after arm's length negotiations between the parties and with reference to the market prices for the construction of new vessels of similar size in the open market as determined by the Directors. The Directors, including the independent non-executive Directors, are of the view that the terms of the exercise of the Options were concluded after arm's length negotiations under normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As each the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the new construction under the Options, as aggregated with the Shipbuilding Contracts, are more than 5% but less than 25%, the exercise of the Options for the new construction of two container vessels constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is an Asian shipping logistics company that provides integrated transportation and logistics solutions.

SITC Shipowning

SITC Shipowning is a limited liability company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company. SITC Shipowning is principally engaged in the business of vessel holding.

The Builder

The Builder is a limited liability company established in the PRC. It is principally engaged in the business of ship building. The Builder is beneficially owned as to approximately 80.43% by the Huanghai Shipbuilding Co., Ltd. Trade Union Committee, the committee of the trade union of the Builder, which is a trade union established in the PRC and held collectively by the employees of the Builder.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Builder and its ultimate beneficial owners are independent third party to the Company and its connected persons.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board” the board of directors of the Company;

“Builder”	Huanghai Shipbuilding Co., Ltd. (黄海造船有限公司), a limited liability company established in the PRC;
“Company”	SITC International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“DWT”	deadweight tonnage, a measurement of how much a ship can carry;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Group”	the Company and its subsidiaries;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Options”	the options granted by the Builder to SITC Shipowning for the construction of six container vessels;
“PRC”	the People’s Republic of China;
“Shareholders”	the shareholders of the Company;
“Shipbuilding Contracts”	the shipbuilding agreements dated 29 June 2024 between SITC Shipowning and the Builder in relation to the construction of four container vessels;

“SITC Shipowning”	SITC Shipowning Group Company Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company as at the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a shipping container;
“US\$”	United States dollar, the lawful currency of the United States; and
%	per cent.

By order of the Board
SITC International Holdings Company Limited
Yang Xianxiang
Chairman

Hong Kong, 29 October 2024

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