

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

Financial Highlights

- Revenue for the nine months ended 30 September 2012 was approximately US\$884.8 million, increased by 14.7% as compared with approximately US\$771.2 million for the corresponding period in year 2011.
- Gross profit for the nine months ended 30 September 2012 was approximately US\$99.9 million, increased by 10.8% as compared with approximately US\$90.2 million for the corresponding period in year 2011.
- Profit for the nine months ended 30 September 2012 amounted to approximately US\$70.5 million, decreased by 8.7% as compared with approximately US\$77.2 million for the corresponding period in year 2011, which corresponded to a net profit margin of approximately 8% in the nine months ended 30 September 2012 as compared to 10% for the corresponding period in the year 2011.
- Basic earnings per share for the nine months ended 30 September 2012 amounted to 2.7 US cents, as compared to 3.0 US cents for the corresponding period in the year 2011.

The board of directors (the “**Board**”) of SITC International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the nine months ended 30 September 2012, together with the restated comparative figures for the corresponding period in year 2011. Shareholders are reminded to exercise caution when dealing in the shares of the Company.

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

	For the nine months ended 30 September	
	2012	2011
	<i>USD'000</i>	<i>USD'000</i>
	<i>(Unaudited)</i>	<i>(Restated)</i>
REVENUE	884,757	771,168
Cost of sales	<u>(784,847)</u>	<u>(681,013)</u>
Gross profit	99,910	90,155
Other income and gains	11,517	25,964
Administrative expenses	(43,061)	(35,761)
Other expenses and losses	(599)	(5,061)
Finance costs	(1,348)	(1,077)
Share of profits on losses of:		
Associates	561	221
Joint ventures	<u>5,264</u>	<u>4,096</u>
PROFIT BEFORE TAX	72,244	78,537
Income tax expense	<u>(1,711)</u>	<u>(1,334)</u>
PROFIT FOR THE PERIOD	<u>70,533</u>	<u>77,203</u>
Profit attributable to:		
Owners of the parent	70,238	77,035
Non-controlling interests	<u>295</u>	<u>168</u>
	<u>70,533</u>	<u>77,203</u>

The Group's unaudited consolidated results for the nine months ended 30 September 2012 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the interim report for the six months ended 30 June 2012.

Business Review

The Company is Asia's leading shipping logistics company that provides integrated transportation and logistics solutions.

During the nine months ended 30 September 2012, the Group continued to focus on the intra-Asia market, the sea freight logistics shipping volume was 1,302,881 TEU for the nine months ended 30 September 2012, which increased by 16.7% as compared to 1,116,803 TEU in the corresponding period in year 2011. The average freight rate for the nine months ended 30 September 2012 decreased by 0.7% to US\$542 per TEU. Moreover, the freight forwarding volume for land-based logistics business of the Group increased by 10.3% from 930,170 TEU for the nine months ended 30 September 2011 to 1,026,273 TEU for the corresponding period in the year 2012.

The Group's total revenue after inter-segment elimination increased by 14.7% from US\$771.2 million for the nine months ended 30 September 2011 to US\$884.8 million for the corresponding period in 2012. This increase primarily reflected (i) the increase in shipping volume; and (ii) the continuous growth in the Group's freight forwarding operations.

The Group's cost of sales after inter-segment elimination increased by 15.2% from US\$681 million for the nine months ended 30 September 2011 to US\$784.8 million for the corresponding period in year 2012. This increase was primarily attributable to (i) the increase in the Group's shipping volume of sea freight container and land freight forwarding volume; and (ii) the increase in the major components of its cost of sales such as bunkers cost.

As a result of the foregoing, gross profit of the Group increased from US\$90.2 million for the nine months ended 30 September 2011 to US\$99.9 million for the corresponding period in year 2012. Gross profit margin decreased from 11.7% for the nine months ended 30 September 2011 to 11.3% for the corresponding period in 2012.

The Group's administrative expenses increased by 20.4% from US\$35.8 million for the nine months ended 30 September 2011 to US\$43.1 million for the corresponding period in year 2012. The 20.4% increase was mainly attributable to the overall increase in staff cost.

The amount of other expenses and losses of the Group decreased from US\$5.1 million for the nine months ended 30 September 2011 to US\$0.6 million for the corresponding period in year 2012. The decrease was primarily attributable to the decrease in the fair value losses of financial instruments.

Other income and gains of the Group decreased from US\$26.0 million for the nine months ended 30 September 2011 to US\$11.5 million for the corresponding period in year 2012. The decrease was mainly due to the decrease in foreign exchange translation gain from US\$14.3 million in 2011 to US\$1.2 million in 2012.

The Group's finance costs increased by 25.1% from US\$1.1 million for the nine months ended 30 September 2011 to US\$1.3 million for the corresponding period in year 2012. The increase was mainly due to the increase in average interest bank borrowings balance for the nine months ended 30 September 2012 compare to the corresponding period in 2011.

As a result of the foregoing, profit of the Group for the nine months ended 30 September 2012 was US\$70.5 million, representing an decrease of 8.7% over the profit of US\$77.2 million for the corresponding period in year 2011, which corresponded to a net profit margin of approximately 8% in the nine months ended 30 September 2012 as compared to 10% for the corresponding period in year 2011.

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

30 October 2012

As at the date of this announcement, the executive directors of the Company are Mr. Yang Shaopeng, Mr. Yang Xianxiang, Mr. Liu Kecheng, Ms. Li Xuexia, Mr. Xue Peng; the non-executive director of the Company is Ms. Liu Rongli; and the independent non-executive directors of the Company are Mr. Tsui Yung Kwok, Mr. Yeung Kwok On, Mr. Lo Wing Yan, William and Mr. Ngai Wai Fung.