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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)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014

Financial Highlights

- Revenue for the three months ended 31 March 2014 was approximately US\$320.1 million, increased by 10.9% as compared with approximately US\$288.7 million (restated) for the corresponding period in year 2013.
- Gross profit for the three months ended 31 March 2014 was approximately US\$37.1 million, increased by 40.5% as compared with approximately US\$26.4 million (restated) for the corresponding period in year 2013 which translated to an increase in gross profit margin from approximately 9.1% for the three months ended 31 March 2013 to approximately 11.6% for the corresponding period in 2014.
- Profit for the three months ended 31 March 2014 was approximately US\$21.6 million, representing an increase of 17.8% as compared with the profit of approximately US\$18.4 million (restated) for the corresponding period in year 2013, which corresponded to a net profit margin of approximately 6.8% in the three months ended 31 March 2014 as compared with approximately 6.4% for the corresponding period in year 2013.

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 three months ended 31 March 2014, together with the restated comparative figures for the corresponding period in year 2013. This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Shareholders are reminded to exercise caution when dealing in the shares of the Company.

FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	For the three months ended 31 March	
	2014	2013
	<i>US\$'000</i>	<i>US\$'000</i> <i>(Restated)</i>
REVENUE	320,057	288,693
Cost of sales	<u>(282,982)</u>	<u>(262,293)</u>
Gross profit	37,075	26,400
Other income and gains	5,633	7,302
Administrative expenses	(15,672)	(14,786)
Other expenses and losses	(4,501)	(23)
Finance costs	(2,304)	(1,772)
Share of profits and losses of:		
Joint ventures	1,993	1,567
Associates	<u>152</u>	<u>145</u>
PROFIT BEFORE TAX	22,376	18,833
Income tax expense	<u>(749)</u>	<u>(474)</u>
PROFIT FOR THE PERIOD	<u>21,627</u>	<u>18,359</u>
Profit attributable to:		
Owners of the parent	21,484	18,065
Non-controlling interests	<u>143</u>	<u>294</u>
	<u>21,627</u>	<u>18,359</u>

The Group's unaudited consolidated results for the three months ended 31 March 2014 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the annual report of the Company for the year ended 31 December 2013.

Business Review

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

For the three months ended 31 March 2014, the Group's total shipping volume reached 471,075 TEUs, representing an increase of approximately 2.7% as compared to that of 458,481 TEU for the corresponding period in year 2013. The Group's average freight rate for the three months ended 31 March 2014 amounted to US\$500 per TEU, representing an increase of 0.1% from US\$499 per TEU for the corresponding period in year 2013. Further, the total volume from the Group's freight forwarding increase by 2.2% from 354,863 TEU for three months ended 31 March 2013 to 362,655 TEU for the corresponding period in 2014.

Revenue of the Group increased by 10.9% from approximately US\$288.7 million for the three months ended 31 March 2013 to US\$320.1 million for the corresponding period in 2014. This increase primarily reflected the overall increase in the shipping volume and the continuous growth in freight forwarding business.

The cost of sales of the Group increased by approximately 7.9% from approximately US\$262.3 million for the three months ended 31 March 2013 to approximately US\$283.0 million for the same corresponding period in year 2014. This increase was primarily attributable to the expansion in both sea freight logistics business and land-based logistic business.

As a result of the foregoing, gross profit of the Group increased from approximately US\$26.4 million for the three months ended 31 March 2013 to approximately US\$37.1 million for the corresponding period in year 2014. The gross profit margin of the Group increased from 9.1% for the three months ended 31 March 2013 to approximately 11.6% for the corresponding period in 2014.

The Group's administrative expenses increased from approximately US\$14.8 million for the three months ended 31 March 2013 to approximately US\$15.7 million for the corresponding period in year 2014. The increase was mainly attributable to the overall expansion in staff cost.

The amount of the Group's other expenses and losses increased from approximately US\$0.02 million for the three months ended 31 March 2013 to approximately US\$4.5 million for the corresponding period in year 2014. The increase was primarily attributable to the foreign exchange translation loss from the Group's RMB assets.

Other income and gains of the Group decreased by approximately 22.8% from approximately US\$7.3 million for the three months ended 31 March 2013 to approximately US\$5.6 million for the corresponding period in year 2014. The decrease was mainly due to the Group recorded a foreign exchange translation gain of US\$1.2 million in 2013 whereas it turned to a foreign exchange translation loss in 2014.

The finance costs of the Group increased by approximately 30% from approximately US\$1.8 million for the three months ended 31 March 2013 to approximately US\$2.3 million for the corresponding period in year 2014. The increase was mainly due to the increase in average bank borrowing balance in 2014.

As a result of the foregoing, the Group's profit for the three months ended 31 March 2014 was approximately US\$21.6 million, representing an increase of approximately 17.8% over the profit of approximately US\$18.4 million for the corresponding period in year 2013, which corresponded to a net profit margin of approximately 6.8% in the three months ended 31 March 2014 as compared to approximately 6.4% for the corresponding period in year 2013.

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

28 April 2014

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 Peng, Mr. Xue Mingyuan and Mr. Lai Zhiyong; 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.