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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)

CONTINUING CONNECTED TRANSACTIONS CHARTERING OF VESSEL

The Board announces that on 13 December 2011, SITC Shipping, an indirect wholly-owned subsidiary of the Company, and Shandong Steamship have entered into a charter agreement to charter a container vessel, *Hai Feng Lian Jie*, for a term of one year at the rate of not exceeding US\$2,000,000 per annum.

Shandong Steamship is a wholly-owned subsidiary of Qingdao SITC Investment, a company which is 62.5% owned by Mr. Yang Shaopeng and his spouse. Mr. Yang Shaopeng is the controlling shareholder of the Company and an executive Director, the entering into of the charter agreement for the chartering of the vessel *Hai Feng Lian Jie* constitutes continuing connected transactions of the Company.

As each the applicable percentage ratios (other than profit ratio) as defined under Chapter 14A of the Listing Rules in respect of the Continuing Connected Transactions is more than 0.1% but less than 5%, the Continuing Connected Transactions is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE CHARTER AGREEMENT

On 13 December 2011, SITC Shipping, an indirect wholly-owned subsidiary of the Company, and Shandong Steamship entered into a charter agreement for the chartering of a vessel, *Hai Feng Lian Jie*.

Shandong Steamship is a wholly-owned subsidiary of Qingdao SITC Investment and is principally engaged in the business of vessel-owning. Qingdao SITC Investment is 62.5% owned by Mr. Yang Shaopeng and his spouse. Mr. Yang Shaopeng is the controlling shareholder of the Company and an executive Director. Accordingly, Qingdao SITC Investment and Shandong Steamship are connected persons of the Company and the chartering of the vessel, *Hai Feng Lian Jie*, constitutes a continuing connected transaction of the Company for the purpose of the Listing Rules.

The Charter

Pursuant to the Charter Agreement, SITC Shipping has agreed to charter a container vessel, *Hai Feng Lian Jie*, from Shandong Steamship for a term of one year on a time charter basis.

Hai Feng Lian Jie is a container vessel with a capacity of 1,016 TEU.

Charter Fee

The charter fee of the vessel will not exceed US\$2,000,000 per year. The charter fee was determined after arm's length negotiations between the parties having taken into consideration the market rate of time charter of vessels of a similar class.

The charter fee is payable every 15 days in advance.

REASONS FOR THE TRANSACTION

The Group is a PRC-based shipping logistics company that provides integrated transportation and logistics solutions.

In addition to operating its self-owned fleet of vessels, the Company also chartered vessels to meet its operating requirements. As at the date of this announcement, the Company has chartered an aggregate of 37 vessels for its operating needs and the Company considers that the entering into of the Charter Agreement is part of the ordinary operation of the Group and is made under normal commercial terms and in the ordinary and normal course of business of the Company. The Directors, including the independent non-executive Directors, consider that the terms of charter party were concluded under normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

Mr. Yang Shaopeng, Ms. Liu Rongli and Mr. Liu Kecheng are directors of Qingdao SITC Investment. Further, Mr. Yang Xianxiang, an executive Director, also holds 8%

interests in Qingdao SITC Investment. Accordingly, each of Mr. Yang Shaopeng, Ms. Liu Rongli, Mr. Liu Kecheng and Mr. Yang Xianxiang is considered to be interested in the transaction and they have therefore abstained from voting for the Board resolution to approve the Charter Agreement.

As each the applicable percentage ratios (other than profit ratio) as defined under Chapter 14A of the Listing Rules in respect of the Charter Agreement is more than 0.1% but less than 5%, the Charter Agreement is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	means the board of Directors;
“Charter Agreement”	means the charter party agreement dated 11 December 2011 between SITC Shiping and Shandong Steamship;
“Company”	means 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 same meaning as given to it under the Listing Rules;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;

“Qingdao SITC Investment”	means SITC Investment Holdings (Qingdao) Company Limited (青島海豐投資控股有限公司), a connected person of the Company in which 62.5% interest is owned by Mr. Yang Shaopeng, a Controlling Shareholder, and his spouse;
“SITC Shipping”	means SITC Shipping Company Limited, an indirect wholly owned subsidiary of the Company;
“Shandong Steamship”	means SITC Steamships Co., Ltd. (山東海豐航運有限公司), a subsidiary of Qingdao SITC Investment;
“Shareholders”	means shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“%”	means per cent.

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

Hong Kong, 13 December 2011

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