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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 NINE MONTHS ENDED 30 SEPTEMBER 2013 AND SPECIAL DIVIDEND

Financial Highlights

- Revenue for the nine months ended 30 September 2013 was approximately US\$905.0 million, increased by 2.3% as compared with approximately US\$884.8 million for the corresponding period in year 2012.
- Gross profit for the nine months ended 30 September 2013 was approximately US\$102.7 million, increased by 2.8% as compared with approximately US\$99.9 million for the corresponding period in year 2012.
- Profit for the nine months ended 30 September 2013 amounted to approximately US\$85.8 million, increased by 21.7% as compared with approximately US\$70.5 million for the corresponding period in year 2012, which corresponded to a net profit margin of approximately 9.5% in the nine months ended 30 September 2013 as compared to 8.0% for the corresponding period in the year 2012.
- Basic earnings per share for the nine months ended 30 September 2013 amounted to 3.3 US cents, as compared to 2.7 US cents for the corresponding period in the year 2012.
- The Board further declare a special dividend of HK10 cents (equivalent to US1.3 cents) per share (2012: nil) for the 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 nine months ended 30 September 2013, together with the comparative figures for the corresponding period in 2012. 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	
	2013	2012
	<i>USD'000</i>	<i>USD'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
REVENUE	904,992	884,757
Cost of sales	<u>(802,280)</u>	<u>(784,847)</u>
Gross profit	102,712	99,910
Other income and gains	28,368	11,517
Administrative expenses	(45,103)	(43,061)
Other expenses and losses	(606)	(599)
Finance costs	(4,195)	(1,348)
Share of profits on losses of:		
Joint ventures	5,776	5,264
Associates	<u>402</u>	<u>561</u>
PROFIT BEFORE TAX	87,354	72,244
Income tax expense	<u>(1,577)</u>	<u>(1,711)</u>
PROFIT FOR THE PERIOD	<u><u>85,777</u></u>	<u><u>70,533</u></u>
Profit attributable to:		
Owners of the parent	85,324	70,238
Non-controlling interests	<u>453</u>	<u>295</u>
	<u><u>85,777</u></u>	<u><u>70,533</u></u>

The Group's unaudited consolidated results for the nine months ended 30 September 2013 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 2013.

Business Review

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

During the nine months ended 30 September 2013, the Group continued to focus on the intra-Asia market, the sea freight logistics shipping volume was 1,458,290 TEU for the nine months ended 30 September 2013, which increased by 11.9% as compared to 1,302,881 TEU in the corresponding period in year 2012. The average freight rate for the nine months ended 30 September 2013 was US\$487 per TEU, representing a decrease of 10.2% over the average freight rate of US\$542 per TEU for the corresponding period in 2012. Moreover, the freight forwarding volume for land-based logistics business of the Group increased by 10.8% from 1,026,273 TEU for the nine months ended 30 September 2012 to 1,136,660 TEU for the corresponding period in the year 2013.

The Group's total revenue after inter-segment elimination increased by 2.3% from US\$884.8 million for the nine months ended 30 September 2012 to US\$905.0 million for the corresponding period in 2013. 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 2.2% from US\$784.8 million for the nine months ended 30 September 2012 to US\$802.3 million for the corresponding period in year 2013. 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 loading and discharge cost.

As a result of the foregoing, gross profit of the Group increased from US\$99.9 million for the nine months ended 30 September 2012 to US\$102.7 million for the corresponding period in year 2013. Gross profit margin for the nine months ended 30 September 2013 maintained at approximately 11.3% as comparable to that for the corresponding period in 2012.

The Group's administrative expenses increased by 4.6% from US\$43.1 million for the nine months ended 30 September 2012 to US\$45.1 million for the corresponding period in year 2013. The increase was mainly attributable to the overall increase in the Group's staff cost.

The amount of other expenses and losses of the Group was approximately US\$0.6 million for the nine months ended 30 September 2013. There is no material fluctuation as compared to the corresponding period in 2012.

Other income and gains of the Group increased from US\$11.5 million for the nine months ended 30 September 2012 to US\$28.4 million for the corresponding period in year 2013. The increase was mainly due to (i) the increase in foreign exchange translation gain from US\$1.2 million in 2012 to US\$8.4 million in 2013; and (ii) approximately US\$7.3 million gain on foreign exchange forward contracts.

The Group's finance costs increased by 211% from US\$1.3 million for the nine months ended 30 September 2012 to US\$4.2 million for the corresponding period in year 2013. The increase was mainly due to the increase in average bank borrowings balance during the nine months ended 30 September 2013.

As a result of the foregoing, profit of the Group for the nine months ended 30 September 2013 was US\$85.8 million, representing an increase of 21.7% over the profit of US\$70.5 million for the corresponding period in year 2012, which corresponded to a net profit margin of approximately 9.5% in the nine months ended 30 September 2013 as compared to 8% for the corresponding period in year 2012.

SPECIAL DIVIDEND

The Board further announced that it has declared a special dividend of HK10 cents (equivalent to US1.3 cents) (2012: nil) per share of the Company of HK\$0.10 each for the year 2013. The dividend will be payable in cash on Friday, 29 November 2013 to shareholders of the Company whose names appear in the Company's register of members on Friday, 15 November 2013, being the record date for determination of entitlement to such special dividend.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 18 November 2013 to Wednesday, 20 November 2013, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the special dividend, all transfers 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 no later than 4:30 p.m. on Friday, 15 November 2013.

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

Hong Kong, 28 October 2013

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. Lai Zhiyong, Mr. Xue Mingyuan; 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.