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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 2012

Financial Highlights

- Revenue for the three months ended 31 March 2012 was approximately US\$288.3 million, increased by 18.7% as compared with approximately US\$242.9 million for the corresponding period in year 2011;
- Gross profit for the three months ended 31 March 2012 was approximately US\$27.2 million, decreased by 20.7% as compared with approximately US\$34.3 million for the corresponding period in year 2011; and
- Profit for the three months ended 31 March 2012 was approximately US\$13.5 million, representing a decrease of 46.2% as compared with the profit of US\$25.1 million for the corresponding period in year 2011, which corresponded to a net profit margin of approximately 4.7% in the three months ended 31 March 2012 as compared with 10.3% for the corresponding period in 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 three months ended 31 March 2012, together with the comparative figures for the corresponding period in year 2011. This announcement is made pursuant to Rule 13.09(1) 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	
	2012	2011
	<i>USD'000</i>	<i>USD'000</i>
REVENUE	288,341	242,857
Cost of sales	<u>(261,110)</u>	<u>(208,607)</u>
Gross profit	27,231	34,250
Other income and gains	3,966	4,030
Administrative expenses	(16,193)	(11,670)
Other expenses and losses	(263)	(756)
Finance costs	(308)	(391)
Share of profits and losses of associates	<u>190</u>	<u>46</u>
PROFIT BEFORE TAX	14,623	25,509
Income tax expense	<u>(1,171)</u>	<u>(420)</u>
PROFIT FOR THE PERIOD	<u><u>13,452</u></u>	<u><u>25,089</u></u>
Profit attributable to:		
Owners of the parent	13,243	25,104
Non-controlling interests	<u>209</u>	<u>(15)</u>
	<u><u>13,452</u></u>	<u><u>25,089</u></u>

The Group's unaudited consolidated results for the three months ended 31 March 2012 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 2011.

Business Review

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

Leveraging on the remarkable growth of the intra-Asia container shipping market, our total shipping volume for the three-month ended 31 March 2012 reached 406,857 TEUs representing an increase of 17.1% as compared to the corresponding period in year 2011. Our average freight rate for the three months ended 31 March 2012 amounted to US\$556 per TEU, representing an increase of 2.6% as compared to the corresponding period in year 2011. Further, the total volume from our freight forwarding for the three months ended 31 March 2012 reached 336,684 TEU, representing an increase of 14.1% as compared with the corresponding period in year 2011.

Our revenue increased by 18.7% from US\$242.9 million for the three months ended 31 March 2011 to US\$288.3 million for the corresponding period in 2012. This increase primarily reflected (i) the increase in our shipping volume due to the increase in our shipping capacity and the higher average freight rate; as well as (ii) the increased scale of our freight forwarding operations.

Our cost of sales increased by 25.4% from US\$208.6 million for the three months ended 31 March 2011 to US\$261.6 million for the same corresponding period in year 2012. This increase was primarily attributable to (i) the increase in shipping volume in sea freight logistics and freight forwarding in our land-based logistics; and (ii) the increase in the major components of our cost of sales, such as bunker cost and vessels charter cost.

As a result of the foregoing, our gross profit decreased from US\$34.3 million for the three months ended 31 March 2011 to US\$27.2 million for the corresponding period in year 2012. Our gross profit margin decreased from 14.1% for the three months ended 31 March 2011 to 9.4% for the corresponding period in 2012.

Our administrative expenses increased from US\$11.7 million for the three months ended 31 March 2011 to US\$16.2 million for the corresponding period in year 2012. The 38.5% increase was mainly attributable to the increased administrative expenses from network expansion for our land-based logistics segment.

The amount of our other expenses and losses decreased from US\$0.8 million for the three months ended 31 March 2011 to US\$0.3 million for the corresponding period in year 2012. The decrease was primarily attributable to the decreased in the fair value loss from our cash flow hedges.

Our other income and gains for the period ended 31 March 2012 of approximately US\$4.0 million was comparable to that for the three months ended 31 March 2011. The amount for the three months period ended 31 March 2012 mainly represented the bank interest income and investment income. The amount for the corresponding period in 2011 mainly represented gain from foreign exchange translation.

Our finance costs decreased by 25% from US\$0.4 million for the three months ended 31 March 2011 to US\$0.3 million for the corresponding period in year 2012. The decrease was mainly due to the decrease in our average interest-bearing borrowings.

As a result of the foregoing, our profit for the three months ended 31 March 2012 amounted to approximately US\$13.5 million, representing a decrease of 46.2% over the profit of approximately US\$25.1 million for the corresponding period in year 2011, which corresponded to a net profit margin of approximately 4.7% in the three months ended 31 March 2012 as compared to 10.3% for the corresponding period in year 2011.

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

4 May 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.