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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 2011
(UNAUDITED)**

Financial Highlights

- Revenue for the nine months ended 30 September 2011 was approximately US\$785.4 million, increased by 21.3% as compared with approximately US\$647.4 million for the corresponding period in the year 2010;
- Gross profit for the nine months ended 30 September 2011 was approximately US\$99.2 million, decreased by 20.4% as compared with approximately US\$124.7 million for the corresponding period in the year 2010;
- Profit for the nine months ended 30 September 2011 was approximately US\$77.2 million, decreased by 12.9% as compared with approximately US\$88.6 million for the corresponding period in the year 2010, which corresponded to a net profit margin of approximately 9.8% in the nine months ended 30 September 2011 as compared to 13.7% for the corresponding period in the year 2010; and
- Basic earnings per share for the nine months ended 30 September 2011 amounted to 3.0 US cents (2010: 3.4 US cents).

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 consolidated results of the Group for the nine months ended 30 September 2011, together with the comparative figures for the corresponding period in the year 2010. 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 nine months ended 30 September	
	2011	2010
	<i>USD’000</i>	<i>USD’000</i>
REVENUE	785,414	647,392
Cost of sales	<u>(686,191)</u>	<u>(522,716)</u>
Gross profit	99,223	124,676
Other income and gains	25,294	1,552
Administrative expenses	(39,695)	(30,479)
Other expenses and losses	(4,185)	(3,548)
Finance costs	(1,078)	(2,201)
Share of profits and losses of associates	<u>221</u>	<u>80</u>
PROFIT BEFORE TAX	79,780	90,080
Income tax expense	<u>(2,593)</u>	<u>(1,463)</u>
PROFIT FOR THE PERIOD	<u><u>77,187</u></u>	<u><u>88,617</u></u>
Profit attributable to:		
Owners of the parent	77,019	88,228
Non-controlling interests	<u>168</u>	<u>389</u>
	<u><u>77,187</u></u>	<u><u>88,617</u></u>

The Group's unaudited consolidated results for the nine months ended 30 September 2011 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 2011.

Business Review

We are a leading PRC-based shipping logistics company that provides integrated transportation and logistics solutions.

Leveraging on the remarkable growth in the intra-Asia container shipping and logistics market coupled with the expansion in the Company's shipping capacity and service networks, the shipping volume of our sea freight logistics business was 1,116,803 TEU for the nine months ended 30 September 2011, representing an increase of 12.2% as compared to 995,246 TEU in the corresponding period in 2010. The average freight rate increased from US\$502 for the nine months ended 30 September 2010 to US\$546 for the corresponding period in the year 2011. Moreover, the freight forwarding volume for our land-based logistics business increased by 53.1% from 629,359 TEU for the nine months ended 30 September 2010 to 963,643 TEU for the corresponding period in the year 2011.

Our total revenue after inter-segment elimination increased by 21.3% from US\$647.4 million for the nine months ended 30 September 2010 to US\$785.4 million for the corresponding period in the year 2011. This increase primarily reflected the growth in revenue of both the sea freight logistics and the land-based logistics segments, primarily reflecting (i) the increase in our shipping volume due to the increase in our shipping capacity and the increase in average freight rate; and (ii) the scale of increase of our freight forwarding operations.

Our cost of sales after inter-segment elimination increased by 31.3% from US\$522.7 million for the nine months ended 30 September 2010 to US\$686.2 million for the corresponding period in the year 2011. This increase was primarily attributable to (i) the increase in our shipping volume of sea freight container and land freight forwarding volume; and (ii) the increase in the major components of our cost of sales, such as increases in bunkers cost and vessels charter cost.

As a result of the foregoing, our gross profit decreased from US\$124.7 million for the nine months ended 30 September 2010 to US\$99.2 million for the corresponding period in the year 2011. Our gross profit margin decreased from 19.3% for the nine months ended 30 September 2010 to 12.6% for the corresponding period in the year 2011.

Our administrative expenses increased by 30.2% from US\$30.5 million for the nine months ended 30 September 2010 to US\$39.7 million for the corresponding period in the year 2011. This increase was mainly attributable to the network expansion for our land-based logistics business in the first nine months of 2011 as compared with the corresponding period in the year 2010.

The amount of our other expenses and losses increased from US\$3.5 million for the nine months ended 30 September 2010 to US\$4.2 million for the corresponding period in the year 2011. The amount for the nine months ended 30 September 2010 mainly represented the closing out of the 10-year derivative financial instrument. The amount for the nine months ended 30 September 2011 mainly represented (i) the realised hedging loss of US\$3.7 million arising from our forward contracts; and (ii) certain asset write-offs.

Our other income and gains increased from US\$1.6 million for the nine months ended 30 September 2010 to US\$25.3 million for the corresponding period in the year 2011. The amount for the nine months ended 30 September 2011 mainly represented US\$14.3 million gain in the foreign exchange translation from our RMB deposits and US\$8.0 million from interest income and other investment income.

Our finance costs decreased by 51% from US\$2.2 million for the nine months ended 30 September 2010 to US\$1.1 million for the corresponding period in the year 2011. The decrease was mainly due to the fact that we had less interest-bearing bank borrowings in the year 2011.

As a result of the foregoing, our profit for the nine months ended 30 September 2011 amounted to US\$77.2 million, representing an decrease of 12.9% over the profit of US\$88.6 million for the corresponding period in 2010, which corresponded to a net profit margin of approximately 9.8% in the nine months ended 30 September 2011 as compared to 13.7% for the corresponding period in the year 2010.

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

24 October 2011

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.