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**SUPERB SUMMIT INTERNATIONAL GROUP LIMITED**  
**奇峰國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
 (Stock Code: 01228)

**ANNOUNCEMENT OF FINAL RESULTS FOR  
 THE YEAR ENDED 31 DECEMBER 2012**

**RESULTS**

The Board of Directors of Superb Summit International Group Limited (the “Company”) has the pleasure in presenting the following audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2012 with comparative figures for last year as follows:

**CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue		<b>120,297</b>	49,550
Cost of sales		<b>(116,386)</b>	(41,157)
<b>Gross profit</b>		<b>3,911</b>	8,393
Other income		<b>1,481</b>	657
Other gains and losses		<b>(39,294)</b>	(568,917)
Selling and distribution expenses		<b>(1,793)</b>	(1,600)
Administrative expenses		<b>(112,410)</b>	(99,315)
Finance costs		<b>(1,591)</b>	(450)
<b>(Loss)/Profit before tax</b>		<b>(149,696)</b>	(661,232)
Income tax expense		—	—
<b>(Loss)/Profit for the year</b>		<b>(149,696)</b>	(661,232)

	<i>Note</i>	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<b>Attributable to:</b>			
Owners of the Company		<b>(132,376)</b>	(658,285)
Non-controlling interests		<b>(17,320)</b>	(2,947)
		<u><b>(149,696)</b></u>	<u>(661,232)</u>
 <b>(Loss) Earnings per share attributable to owners of the Company for the year</b>			
Basic		<b>(3.066) cents</b>	(16.238) cents
Diluted		N/A	N/A

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b> <b>HK\$'000</b>	2011 <i>HK\$'000</i>
<b>(Loss)/Profit for the year</b>		<b>(149,696)</b>	(661,232)
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		<u>29,951</u>	<u>175,835</u>
<b>Other comprehensive income for the year (net of income tax)</b>		<u>29,951</u>	<u>175,835</u>
<b>Total comprehensive income for the year</b>		<u><b>(119,745)</b></u>	<u>(485,397)</u>
<b>Attributable to:</b>			
Owners of the Company		<b>(102,241)</b>	(482,515)
Non-controlling interests		<u><b>(17,504)</b></u>	<u>(2,882)</u>
		<u><b>(119,745)</b></u>	<u>(485,397)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2012*

	<i>Note</i>	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Prepaid land lease payments		<b>72,643</b>	73,678
Property, plant and equipment		<b>4,194</b>	16,028
Biological assets		<b>3,428,356</b>	3,343,400
<b>Total non-current assets</b>		<b>3,505,193</b>	3,433,106
<b>Current assets</b>			
Prepaid land lease payments		<b>1,608</b>	1,596
Equity investments at fair value through profit or loss		<b>8,045</b>	10,036
Amount due from a director		<b>14</b>	—
Trade receivables		<b>834</b>	—
Prepayments, deposits and other receivables		<b>183,181</b>	54,797
Cash and cash equivalents		<b>5,044</b>	5,713
<b>Total current assets</b>		<b>198,726</b>	72,142
<b>Total assets</b>		<b>3,703,919</b>	3,505,248
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		<b>37,331</b>	226
Other payables, accruals and receipt in advance		<b>148,393</b>	40,250
Convertible notes interest payable		<b>—</b>	1,778
Bank overdraft		<b>4,769</b>	—
Interest-bearing other borrowing		<b>737</b>	1,000
<b>Total current liabilities</b>		<b>191,230</b>	43,254
<b>Net current assets</b>		<b>7,496</b>	28,888
<b>Net assets</b>		<b>3,512,689</b>	3,461,994
<b>Capital and reserves</b>			
Share capital		<b>585,451</b>	419,616
Reserves		<b>2,946,474</b>	3,045,260
Equity attributable to owners of the Company		<b>3,531,925</b>	3,464,876
Non-controlling interests		<b>(19,236)</b>	(2,882)
<b>Total equity</b>		<b>3,512,689</b>	3,461,994

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has adopted all of the new and revised HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2012.

The adoption of the new and revised HKFRSs has had no significant financial effect on these consolidated financial statements.

### 2. SEGMENT INFORMATION

#### (a) Operating segment information

The Group’s 93% of revenue, results, and assets and liabilities derived from the sale of coal and related products, while the remaining of 7% came from the logging and trading of timbers as well as the sale of related products.

#### (b) Geographical information

No geographical information is shown as the revenue from external customers and non-current assets from continuing operations of the Group are substantially derived from activities or located in the PRC.

### 3. REVENUE

An analysis of revenue is as follows:

	2012 <i>HK\$’000</i>	2011 <i>HK\$’000</i>
Income from logging and trading of timber and related products	8,217	49,550
Sales of coal and related products	<u>112,080</u>	<u>—</u>
	<u><u>120,297</u></u>	<u><u>49,550</u></u>

#### 4. OTHER INCOME

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interest on bank deposits	1	113
Sundry income	459	544
	<hr/>	<hr/>
Interest on loans	918	—
Rental income	103	—
	<hr/>	<hr/>
	<b>1,481</b>	<b>657</b>
	<hr/> <hr/>	<hr/> <hr/>

#### 5. OTHER GAINS AND LOSSES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
(Loss)/Gain arising from changes in fair value less costs to sell of biological assets	62,073	(576,335)
Reversal of impairment losses on prepaid land lease payments	—	12,286
Fair value loss on in equity investments at fair value through profit or loss, net	(1,990)	(5,243)
Gain on disposal of equity investments at fair value through profit or loss, net	—	375
	<hr/>	<hr/>
Impairment on trade receivables	(2,597)	—
Impairment on other receivables	(86,186)	—
Impairment on construction in progress	(11,040)	—
Others	446	—
	<hr/>	<hr/>
	<b>(39,294)</b>	<b>(568,917)</b>
	<hr/> <hr/>	<hr/> <hr/>

#### 6. FINANCE COSTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interest on:		
Convertible notes	227	433
Other borrowing	1,364	17
	<hr/>	<hr/>
	<b>1,591</b>	<b>450</b>
	<hr/> <hr/>	<hr/> <hr/>

## 7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Cost of inventories sold	116,386	41,157
Depreciation of property, plant and equipment	2,881	2,744
Amortisation of prepaid land lease payments	1,591	1,561
Lease payments under operating leases for:		
— Leasehold land and buildings	7,086	10,490
— Motor Vehicles	97	92
Auditors' remuneration		
— Current year	660	660
Employee benefit expense (excluding directors' remuneration)		
— Wages and salaries and other benefits	10,325	8,728
— Retirement benefits scheme contributions	1,178	388
— Share-based payments	—	—
	<u>11,503</u>	<u>9,116</u>
Other share-based payments	71,600	9,970
Impairment losses on trade receivables	2,597	30
Impairment losses on other receivables	86,186	9,769
Impairment losses on construction in progress	11,040	—
Exchange losses/(gains), net	(42)	898
	<u><u>          </u></u>	<u><u>          </u></u>

## 8. INCOME TAX EXPENSE

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current tax:		
— Hong Kong	—	—
— The PRC	—	—
	<u>          </u>	<u>          </u>
	<u><u>          </u></u>	<u><u>          </u></u>

Hong Kong profits tax is calculated at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

During the year ended 31 December 2012, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits from continuing operations in Hong Kong (2011: nil).

During the year ended 31 December 2012, taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The tax expenses for the year can be reconciled to the (loss)/profit per the consolidated income statement as follows:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
(Loss)/Profit before tax	<u><b>(149,696)</b></u>	<u>(661,232)</u>
Tax at Hong Kong profits tax rate of 16.5% (2010: 16.5%)	<b>(24,700)</b>	(109,103)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(5,481)</b>	—
The effect of expenses not deductible for tax purpose	<b>7,338</b>	116,022
Tax effect of income not taxable for tax purpose	<b>3,089</b>	(10,299)
Tax effect of tax losses not recognised	<u><b>19,754</b></u>	<u>3,380</u>
Income tax expense for the year	<u>—</u>	<u>—</u>

## 9. DIVIDEND

No dividend was paid or proposed during 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<i>(Loss)/Earnings</i>		
(Loss)/Earnings for the purpose of basic earnings per share ((loss)/profit for the year attributable to owners of the Company)	<u><b>(132,376)</b></u>	<u>(658,285)</u>
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	<u>N/A</u>	<u>N/A<sup>#</sup></u>
Earnings for the purpose of diluted earnings per share	<u><b>N/A</b></u>	<u>N/A<sup>#</sup></u>



	<b>2012</b> <i>Number of shares</i>	2011 <i>Number of shares</i>
Number of shares		
Weighted average number of ordinary shares of the purpose of basic earnings per share	<u><b>4,317,026,335</b></u>	<u>4,035,035,620</u>
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	N/A <sup>#</sup>	N/A <sup>#</sup>
Convertible notes	<u>N/A<sup>#</sup></u>	<u>N/A<sup>#</sup></u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>N/A<sup>#</sup></u></u>	<u><u>N/A<sup>#</sup></u></u>

## 11. TRADE RECEIVABLES

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables	<b>3,490</b>	31
Less: allowance for doubtful debts	<u>(2,656)</u>	<u>(31)</u>
	<u><b>834</b></u>	<u>—</u>

The Group normally allows credit terms ranging from 30 to 90 days to its customers.

An aging analysis of the trade receivables net of allowance for doubtful debts at the end of the reporting period, based on the date of recognition of the sale, is as follows:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 - 30 days	<b>834</b>	—
31 - 60 days	—	—
61 - 90 days	—	—
Over 90 days	<u><b>2,656</b></u>	<u>31</u>
	<u><b>3,490</b></u>	<u>31</u>

In the opinion of directors, the Group has provided sufficient impairment on those trade receivables which are past due.

## 12. TRADE PAYABLES

An aging analysis of the trade payables at the end of the reporting period, based on the receipt of goods purchased, is as follows:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 - 30 days	<b>4,136</b>	—
31 - 60 days	—	—
61 - 90 days	—	—
90 - 180 days	—	—
Over 180 days	<b>33,195</b>	226
	<b>37,331</b>	226

## 13. CONVERTIBLE NOTES

On 27 November 2009, the Group completed the acquisition of 30% equity interests in Green & Good Group Limited, which owned 100% equity interests in Leeka Wood Co., Ltd (“Leeka Wood”) from Superview International Limited (“Superview”), the Company issued convertible notes (A) (the “Convertible Notes (A)”) as partial settlement of the acquisition consideration.

On 27 November 2009, pursuant to the release of the counter guarantee obligations of Leeka Wood and 綠之嘉木制品制造有限公司 (“G&G Wood”) under the Counter Guarantee Agreements. The Company issued convertible notes (B) (the “Convertible Notes (B)”) to Superview as the partial settlement of the consideration.

Each of convertible notes is bifurcated into liability component and equity component. The equity component is presented in equity heading (“convertible notes equity reserve”). The movement of the liability and equity components of the convertible notes for the year is set out below:

	<b>Convertible Notes Notes (A) and (B)</b>
<b>Date of issue</b>	27.11.2009
<b>Maturity date</b>	26.11.2012
	<i>HK\$'000</i>
 <b>Liability components</b>	
At 1 January 2011	1,345
Interest expenses	433
	<hr/>
At 31 December 2011 and 1 January 2012	1,778
Interest expenses	227
Conversion of convertible notes	(2,005)
	<hr/>
At 31 December 2012	<u><u>—</u></u>
 <b>Equity components</b>	
At 1 January 2011	174,527
Conversion of convertible notes	(117,826)
	<hr/>
At 31 December 2011 and 1 January 2012	56,701
Conversion of convertible notes	(56,701)
	<hr/>
At 31 December 2012	<u><u>—</u></u>

#### **ACQUISITION OF 30% EQUITY INTERESTS IN GREEN & GOOD GROUP LIMITED AND RELEASE OF COUNTER GUARANTEE**

The principal terms of the Convertible Notes (A) are as follows:

Date of issue	27 November 2009
Aggregate principal amount	HK\$417 million
Denomination in multiple of	HK\$10,000,000
Interest rate per annum	0.2%, payable annually in arrears
Conversion price applicable	HK\$0.50 (Note)
Maturity date	3 years from the date of issue

The principal terms of the Convertible Notes (B) are as follows:

Date of issue	27 November 2009
Aggregate principal amount	HK\$382 million
Denomination in multiple of	HK\$10,000,000
Interest rate per annum	0.2%, payable annually in arrears
Conversion price applicable	HK\$0.50 (Note)
Maturity date	3 years from the date of issue

*Note:* Conversion price was adjusted from HK\$0.05 to HK\$0.50 due to the 10 to 1 share consolidation on 23 October 2009. The price was future adjusted from HK\$0.50 to HK\$0.45 and from HK\$0.45 to HK\$0.15 due to the warrants subscription and the shares subscription on 7 May 2012 and 7 September 2012 respectively.

**(a) Conversion period**

The holders of the Convertible Notes (A) and (B) shall have the rights to convert the whole or part of the principal amounts of the Convertible Notes (A) and (B) into shares at any time and from time to time, following the date of issue up to (but excluding) the period of three business days ending on the maturity date. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

**(b) Put option**

The Company shall be entitled to serve a written notice to the holder of the Convertible Notes (A) and (B) to convert the whole or part of the principal amounts of the Convertible Notes (A) and (B) into shares at any time and from time to time, following the date of issue of the Convertible Notes (A) and (B) up to (but excluding) the period of three business days ending on the maturity date. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

**(c) Redemption option**

The Company shall have the right to redeem any portion of the Convertible Notes (A) and (B) outstanding at an amount equals to the principal amounts of the Convertible Notes (A) and (B) together with any interest accrued thereon in its sole and absolute discretion at any time prior to the maturity date.

The Convertible Notes (A) and (B) contains liability component, equity component and an embedded put option and redemption option. The equity component is presented in the consolidated statement of changes in equity under the heading of “convertible notes equity reserve”. The effective interest rate of the liability component is 0.2% per annum. The directors of the Company have assessed the fair value of the Convertible Notes (A) and (B) as at 27 November 2009. The methods and assumptions applied for the valuation of the Convertible Notes (A) and (B) are as follows:

**Valuation of liability and equity component**

The fair values of liability and equity component were calculated based on the assumption that the Convertible Notes (A) and (B) are highly probable to convert into Company’s shares. Therefore, the fair values of the Convertible Notes (A) and (B) have minimal liability portion and substantially represents the equity portion of the Convertible Notes (A) and (B).

The Group’s Convertible Notes (A) and (B) issued during 2009 were valued by LCH (Asia-Pacific) Surveyors Limited.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the year ended 31 December 2012, the Group recorded consolidated turnover of HK\$120,297,000, representing an increase of 143% when compared with that of HK\$49,550,000 for the year ended 31 December 2011. The substantial growth of the consolidated turnover in 2012 was mainly driven by the expansion of the Group operations to the trading of bulk resources commodity in addition to its current timber business during the period.

Cost of sales for the year under review was approximately HK\$116,386,000 (2011: HK\$41,157,000), which was the direct cost of the integrated timber business. During the year, other revenue amounted to approximately HK\$1,481,000 (2011: HK\$657,000) which comprised interest income on bank deposits of approximately HK\$1,000 (2011: HK\$113,000), loan interest income of HK\$918,000 (2011: nil), rental income of HK\$103,000 (2011: nil) and sundry income of HK\$459,000 (2011: HK\$544,000).

Selling expenses for the year under review were approximately HK\$1,793,000 (2011: HK\$1,600,000) representing the overheads on promotional activities.

Administrative expenses for the period under review were HK\$112,410,000 (2011: HK\$99,315,000), of which the employee benefit expenses were approximately HK\$11,503,000 (2011: HK\$9,116,000).

Finance costs during the year were HK\$1,591,000 (2011: HK\$450,000), which primarily consisted of the liability portion of convertible notes of HK\$227,000 (2011: HK\$433,000), and total borrowings of HK\$1,364,000 (2011: nil).

For the year ended 31 December 2012, the Group had incurred loss of HK\$149,696,000, representing a decrease of HK\$511,536,000 or 77% over the year ended 31 December 2011, which recorded a loss of HK\$661,232,000. The reduction of loss was attributed mainly to the gain of HK\$62,073,000 (2011: loss of HK\$576,335,000) arising from the difference of changes in fair value of assets less cost of sell at the end of the period.

### Liquidity and Finance Resources

During the year, the Group generally financed its operations with internally generated resources. As at 31 December 2012, the Group had interest-bearing borrowing of HK\$737,000, bearing interest at 4% per annum and repayable within one year (31 December 2011: HK\$1 million, bearing interest at 5% per annum).

The Group's sales and purchases were either denominated in Renminbi or Hong Kong dollars. Accordingly, the Directors consider the Group has no significant exposure to foreign exchange fluctuations in view of the stability of the exchange rates of Renminbi, Hong Kong and US dollars. During the year, the Group did not use any financial instrument for hedging the foreign exchange risk or interest rate risk.

As at 31 December 2012, the Group had current assets of approximately HK\$198,726,000 (2011: HK\$72,100,000) and current liabilities of approximately HK\$191,230,000 (2011: HK\$43,300,000). The Group's current ratio had decreased from approximately 1.7 times as at 31 December 2011 to approximately 1.04 times as at 31 December 2012. The Group had total assets of approximately HK\$3,704,000 (2011: HK\$3,505,200) and total liabilities of approximately HK\$191,230,000 (2011: HK\$43,300,000), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 5.2% as at 31 December 2012 as compared with approximately 1.2% as at 31 December 2011.

## **BUSINESS REVIEW**

During the year, the Company has reviewed its current businesses of logging and trading of timber and related products in accordance to various aspects including the energy conservation and emission reduction policies and policies concerning environment protection industries in the PRC, the changes of demand in both international and domestic markets and so forth. The Company has gradually reduced its operation scales in its timber related businesses, and therefore, timber business has ceased to be the key focus of the Company in 2012.

Since the end of 2011, the Company has been increasingly concerned with the research and market development of business related to the resources products other than timber. Driven by the steady growth of economy in the PRC, demand in PRC market towards bulk commodity such as coal, iron ore, natural gas, fuel oil and so forth is huge and with immense potential. With its thoroughgoing preliminary preparation, the Group launched its cooperation plan with China State Shipbuilding Corporation in August 2012. Aiming to leverage on the opportunities arising from China State Shipbuilding Corporation's plan to develop diversified operations in addition to vessel-related business, the Company strived to be its designated supplier of coal, iron ore, natural gas and fuel oil. In 2012, the Company has entered into the bulk resources commodity trading sector in pace, and established trading relationship with different business partners, of which the trading amounts have reached 112 million; The Company have, on the other hand, been proactively conducting preparation work of iron ore and natural gas trading project, and that the preset interim operational targets had also been met.

### **Corporate Development**

Taken into account of the best interests of the Company and the shareholders, the management of the Company will continue with the implementation of development plans to diversify its operations, as well as to shift the future focus to bulk resources commodity circulations and resources control sector, which are with promising growth potential. Besides, the Company will capitalise its own social resources and sale channels, and integrate the resources in the upstream and downstream of the industrial chain, aiming at the full commencement of coal, iron ore, natural gas and fuel gas trading business. By way of identifying the investment opportunities from upstream resource supply corporations so as to increase its control over the resources, and identifying the cooperation opportunities with major downstream corporations, the Company can align which with its visionary and practical management and operation method to finalize our development blueprint on the vertical integration of operation in the near future, so as to gradually realize our strategy of becoming a influential bulk commodity trading firm in the industry.

### **Employees and Remuneration Package**

As at 31 December 2012, the Group had 72 employees (2011: 69 employees). The remuneration package was based on their work performance, experience and the industry practice. The Group also participated in retirement benefits schemes for its staff in Hong Kong and the PRC.

### **Capital Expenditures**

During the year, the Group spent approximately HK\$1,686,000 (2011: HK\$16,200,000) on acquisition of new production machineries, which was financed by internal cash resources.

### **Contingent liabilities**

The Group did not have any significant contingent liabilities as at 31 December 2012 (2011: Nil).

## **PROSPECT**

Given the changing business environment of the timber industry, the management, which aims at safeguarding best interest to the Company and its shareholders, considers the full commencement of coal, iron ore, natural gas and fuel gas trading business, while continuing to implement its plans to diversify its operations to develop business with growth potential, so as to broaden its revenue and profit base and also to minimize risk on timber business faced by the Company.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2012.

## **AUDIT COMMITTEE**

The Audit Committee comprises the two Independent Non-executive Directors and is chaired by Mr. CHEUNG Wai Tak, who possesses extensive accounting experience in financial and commercial sectors. It is responsible for appointment of external auditors, review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to personnel, records and external auditors and senior management. The Audit Committee of the Company has reviewed the results for the year ended 31 December 2012.

## **CODE OF CORPORATE GOVERNMENT PRACTICE**

The Company has complied with the Code of Corporate Governance Practice (together the "Code") as set out in Appendix 14 of the Listing Rules, except the deviations from the code provisions A.4.1 and 4.2 of the Code. Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Three independent non-executive directors of the Company are not appointed for a specific term but will be subject to retirement by rotation in accordance with the Articles of Association. Code provision A.4.2. requires all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation once every three years. But in accordance with the Articles of Association of the Company, all Directors (except the Chairman, Deputy Chairman, Managing Director or Joint Managing Director) are subject to retirement by rotation and re-election at annual general meetings of the Company. New Directors appointed by the Board during the year are required to retire and offer themselves for re-election at the first annual general meeting immediately following their appointments. The Articles of Association of the Company does not explicitly require the directors who are subject to retirement by rotation shall subject to retirement at least once every three years, instead, the Articles require the director to retire shall be those who were re-elected at the last annual general meeting of the Company or have been longest in office since appointment. As such, the Company considers that sufficient measures have been taken to serve the purpose of these code provisions. The Board will review this practice from time to time.

Upon the resignation of Mr. LI Xiangjun as non-executive director and member of Audit Committee of the Company as at 22 October 2012, the Company does not satisfy the requirement of Rule 3.10(1) of the Listing Rules which provides that every board of directors of listed companies must include at least three independent non-executive directors, and the requirement of Rule 3.21 of the Listing Rules which prescribes that every audit committee of listed companies must comprise a minimum of three members who should all be non-executive directors with at least one of whom is an independent non-executive director. The Company is now actively seeking appropriate candidate, and appoint that candidate as independent non-executive director and member of Audit Committee of the Company as soon as practicable.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code.

## **PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE**

The Company’s 2012 annual report containing the information required by the Listing Rules will be published on the Company’s website ([www.ssitimber.com.hk](http://www.ssitimber.com.hk)) and website of The Stock Exchange of Hong Kong Limited in due course.

By Order of the Board  
**Superb Summit International Group Limited**  
**Lee Chi Kong**  
*Chairman*

Hong Kong, 28 March 2013

*As at the date of this announcement, the Board comprised three executive directors, namely Lee Chi Kong (Chairman), Jing Bin (Chief Executive Officer) and Wu Tao; two independent non-executive directors, namely Cheung Wai Tak and Mr. Chen Xiaoming.*