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 UNAUDITED INTERIM RESULTS 2015

The Board of Directors (the "Board" or "Directors") of Superb Summit International Group Limited (the "Company") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 (the "Period"), together with the unaudited comparative figures for the corresponding period in 2014. The unaudited condensed consolidated interim results have been reviewed by the Company's audit committee (the "Audit Committee").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 HK$'000 (Unaudited)	2014 HK$'000 (Unaudited)
Revenue	*6*	**27,144**	315,784
Cost of sales		**(26,050)**	(290,167)
Gross profit		**1,094**	25,617
Other income		**16**	75
Other gains		**7**	4,574
Distribution costs		**—**	(14,605)
Administrative expenses		**(86,568)**	(35,794)
Finance costs	*7*	**(4,077)**	(1,443)
Loss before tax	*8*	**(89,528)**	(21,576)
Income tax credit	*9*	**12,815**	—
Loss for the period		**(76,713)**	(21,576)
Attributable to:			
Owners of the Company	*10*	**(56,809)**	(22,793)
Non-controlling interests		**(19,904)**	1,217
		(76,713)	(21,576)
Loss per share attributable to owners of the Company for the period	*10*		
Basic		**HK(0.71) cents**	HK(0.31) cents
Loss for the period		**(76,713)**	(21,576)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**1,490**	(93,473)
Total comprehensive expense for the period		**(75,223)**	(115,049)
Comprehensive expense for the period attributable to:			
Owners of the Company		**(55,376)**	(116,549)
Non-controlling interests		**(19,847)**	1,500
		(75,223)	(115,049)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
Non-Current Assets			
Goodwill		—	—
Prepaid land lease payments		**54,565**	55,469
Property, plant and equipment	*12*	**11,625**	13,404
Biological assets	*13*	**3,303,002**	3,308,823
Intangible assets		**1,187,740**	1,239,000
		4,556,932	4,616,696
Current Assets			
Prepaid land lease payments		**1,614**	1,617
Trade receivables	*14*	**2,895**	3,556
Prepayments, deposits and other receivables	*15*	**1,084,138**	858,862
Tax recoverable		**432**	433
Cash and cash equivalents		**30,333**	129,666
		1,119,412	994,134
Non-Current Liabilities			
Bonds	*18*	**73,000**	73,000
Deferred tax liabilities		**296,935**	309,750
		369,935	382,750

	Note	At 30 June 2015 HK$'000 (Unaudited)	At 31 December 2014 HK$'000 (Audited)
Current Liabilities			
Trade payables	*16*	**43,335**	42,787
Other payables and accruals	*17*	**364,647**	311,681
Promissory notes	*18*	**302,000**	352,000
		709,982	706,468
Net Current Assets		**409,430**	287,666
Total Assets Less Current Liabilities		**4,966,362**	4,904,362
Net Assets		**4,596,427**	4,521,612
Capital and Reserves			
Share capital	*19*	**818,521**	803,211
Reserves		**3,372,988**	3,293,636
Equity attributable to owners of the Company		**4,191,509**	4,096,847
Non-controlling interests		**404,918**	424,765
Net Equity		**4,596,427**	4,521,612

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. CORPORATION INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2015 comprise the Group and the Group's interests in an jointly-controlled entity. The Group is principally engaged in the exploitation and management of timber resources and sales of coal products and other bulk commodities in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2014.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group and the Company. None of these developments are relevant to the Group's results and financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective in these condensed consolidated interim financial statements.

The preparation of interim financial statements requires management to make judgments, estimate and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

5. SEGMENT INFORMATION

(a) Operating segment information

	Sale of coal and related products six months ended 30 June		Other products six months ended 30 June		Logging and trading of timbers six months ended 30 June		Natural resource product six months ended 30 June		Total six months ended 30 June	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue from external customers	**27,144**	295,259	**—**	—	**—**	—	**—**	20,525	**27,144**	315,784
Reportable segment results	**859**	10,896	**(55,992)**	(957)	**(980)**	(971)	**(29,338)**	(29,101)	**(85,451)**	(20,133)
Profit/(Loss) from operations	**859**	10,896	**(55,992)**	(957)	**(980)**	(971)	**(29,338)**	(29,101)	**(85,451)**	(20,133)
Finance costs	**—**	—	**(1,543)**	(482)	**—**	—	**(2,534)**	(961)	**(4,077)**	(1,443)
Profit/(Loss) before taxation	**859**	10,896	**(57,535)**	(1,439)	**(980)**	(971)	**(31,872)**	(30,062)	**(89,528)**	(21,576)
Income tax credit	**—**	—	**12,815**	—	**—**	—	**—**	—	**12,815**	—
Profit/(Loss) for the period	**859**	10,896	**(44,720)**	(1,439)	**(980)**	(971)	**(31,872)**	(30,062)	**(76,713)**	(21,576)
Amortisation	**—**	—	**51,260**	—	**806**	811	**—**	—	**52,066**	811
Depreciation	**63**	63	**29**	32	**151**	21	**1,525**	565	**1,768**	681
(Gain) on trading of short-term financial instruments	**—**	—	**—**	—	**—**	—	**(7)**	—	**(7)**	—
Fair value (gain) on equity investments at fair value through profit or loss	**—**	—	**—**	—	**—**	—	**—**	(3,176)	**—**	(3,176)
Total assets	**127,667**	305,698	**1,194,020**	1,566,940	**3,360,724**	3,415,903	**993,933**	449,855	**5,676,344**	5,738,396
Total liabilities	**371,532**	431,361	**609,032**	951,212	**21,797**	21,766	**77,556**	90,225	**1,079,917**	1,494,564
Capital expenditure	**—**	34	**—**	322	**—**	—	**—**	170	**—**	526

(b) Geographical information

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

6. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Income from trading of coal and related products	**27,144**	295,259
Sales of natural resources products	—	20,525
	27,144	315,784

7. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on:		
Promissory notes	**1,543**	482
Bonds	**2,534**	961
	4,077	1,443

8. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**26,050**	290,167
Depreciation of property, plant and equipment	**1,768**	681
Amortisation of prepaid land lease payments	**806**	811
Amortisation of intangible assets	**51,260**	—
Fair value gain on equity investments at fair value through profit or loss, net	**—**	(3,176)

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax - Charge for the period:		
Hong Kong	**—**	—
The PRC	**—**	—
	—	—
Deferred tax	**(12,815)**	—
Income tax credit	**(12,815)**	—

Hong Kong profits tax is calculated at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

During six months ended 30 June 2015, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits from Hong Kong (2014: nil).

During six months ended 30 June 2015, 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% (2014: 25%).

10. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(56,809)**	(22,793)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**8,056,441**	7,253,138

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2015 and 2014 in respect of a dilution as the impact of the share options and warrants issued by the Company had an anti-dilutive effect on the basic loss per share amounts presented.

Basic loss per share is HK$0.71 cents per share (2014: HK$0.31 cents per share), based on the loss for the period from operations and the denominators detailed above for basic loss per share.

11. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group has no additions to property, plant and equipment and no disposals respectively. During the six months ended 30 June 2014, the Group spent approximately HK$525,370 on additions to furniture and fixtures and no disposals respectively.

13. BIOLOGICAL ASSETS

During the period, the Group recognised approximately HK$ Nil (2014: Nil) of biological assets included in the cost of sales.

	At 30 June 2015 *HK$'000* (Unaudited)	At 31 December 2014 *HK$'000* (Audited)
At 1 January	**3,308,823**	3,441,264
Direct sales	—	(36,833)
Loss arising from changes in fair value less cost to sell of biological assets	—	(19,485)
Exchange realignment	**(5,821)**	(76,123)
	3,303,002	3,308,823

As at 30 June 2015, the directors of the Company have considered the carrying amount of the Group's biological assets carried at previously revalued amounts at 31 December 2014 and estimated that the carrying amounts do not differ significantly from that which would be determined using fair values at the end of the reporting period. Consequently, no revaluation surplus or deficit has been recognised in the period.

14. TRADE RECEIVABLES

	At 30 June 2015 *HK$'000* (Unaudited)	At 31 December 2014 *HK$'000* (Audited)
Trade receivable	**34,815**	35,532
Less: allowance for doubtful debts	**(31,920)**	(31,976)
	2,895	3,556

	At 30 June 2015 *HK$'000* (Unaudited)	At 31 December 2014 *HK$'000* (Audited)
0-30 days	—	—
31-60 days	—	—
61-90 days	—	—
91-180 days	—	—
Over 180 days	**34,815**	35,532
	34,815	35,532

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2015 *HK$'000* (Unaudited)	At 31 December 2014 *HK$'000* (Audited)
Prepayment	**4,066**	3,220
Deposits	**1,073**	868
Other receivables	**1,075,518**	851,526
Other tax receivables	**169**	166
Trade deposit paid	**63,750**	63,627
Amount due from non-controlling entities	**3,720**	3,726
Less: Impairment losses	**(64,158)**	(64,271)
	1,084,138	858,862

16. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period is as follows:

	At 30 June 2015 ***HK$'000*** **(Unaudited)**	At 31 December 2014 *HK$'000* (Audited)
0-30 days	**—**	—
31-60 days	**—**	—
61-90 days	**624**	—
91-180 days	**—**	—
Over 180 days	**42,711**	42,787
	43,335	42,787

17. OTHER PAYABLES, ACCRUALS AND RECEIPT IN ADVANCE

	At 30 June 2015 ***HK$'000*** **(Unaudited)**	At 31 December 2014 *HK$'000* (Audited)
Other payables	**45,103**	43,461
Accruals	**663**	757
Trade deposit received	**313,123**	261,022
Interest payables	**5,758**	6,441
	364,647	311,681

18. LOANS AND BORROWINGS

	Bonds *(Note a)* ***HK$'000***	**Promissory notes** *(Note b)* ***HK$'000***
Balance at 1 January 2015	73,000	352,000
Repayment during the period	—	(50,000)
Balance at 30 June 2015 (Unaudited)	**73,000**	**302,000**

Note:

(a) The unsecured bonds beared interest at 7% per annum with a maturity date of 7 years.

(b) The promissory notes beared interest at 1% per annum. During the period, the Group has repaid HK$50,000,000 of the notes and entered into supplementary deed with the promissory notes holder on 27 February 2015, pursuant to which the parties agreed to extend the maturity of the notes to 28 February 2016.

19. SHARE CAPITAL

	At 30 June 2015 ***HK$'000*** **(Unaudited)**	At 31 December 2014 *HK$'000* (Audited)
Authorised:		
10,000,000,000 ordinary shares of HK$0.1 each	**1,000,000**	1,000,000
Issued and fully paid:		
8,185,209,405 (2014: 8,032,109,405) Ordinary shares of HK$0.1 each	**818,521**	803,211

20. CAPITAL COMMITMENTS

The Group had no significant capital commitments at the end of the reporting period.

21. OPERATING COMMITMENTS

The Group leases certain leasehold land and buildings under operating lease. The original lease terms for these leasehold land and buildings ranged from one to twenty years.

At the end of the reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 30 June 2015 *HK$'000* **(Unaudited)**	At 31 December 2014 *HK$'000* (Audited)
Within one year	**2,041**	3,462
In the second to fifth years, inclusive	—	205
	2,041	3,667

22. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities at the end of the reporting period.

23. RELATED PARTY TRANSACTIONS

(a) Except for transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group has no other significant transactions and balances with its related parties during the six months ended 30 June 2015.

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Short term employee benefits	**1,350**	—
Post-employment benefits	**18**	—
Equity-settled share-based payment	**—**	—
Total compensation paid to key management personnel	**1,368**	—

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW ANALYSIS

A comparative breakdown of the consolidated revenue streams into the product types are set forth in the following table for the periods indicated:

The Group's unaudited revenue for the six months ended 30 June 2015 amounted to HK$27.144 million, representing 91.40% decrease as compared with HK$315.784 million for the six months ended 30 June 2014.

The Group's loss attributable to shareholders was HK$56.809 million, an increase of 149.24% compared with HK$22.793 million in the corresponding period of last year. The increase in loss attributable to shareholders is mainly due to a decrease in revenue to HK$27,144,000 during the reporting period from HK$315,784,000 for the corresponding period of last year, and other gain decreased to HK$7,000 during the report period from other gain HK$4,574,000 for the corresponding period of last year.

GROSS PROFIT

	Six months ended 30 June			
	2015		2014	
	Gross profit *HK$'000* **(Unaudited)**	**Gross profit margin**	Gross profit *HK$'000* (Unaudited)	Gross profit margin
Total	**1,094**	4.03%	25,617	8.11%

The Group's overall gross profit for the six months ended 30 June 2015 was HK$1,094,000, representing a decrease of HK$24,523,000 as compared with HK$25,617,000 for the corresponding period in 2014. The gross profit margin decrease to 4.03% as compared against 8.11% for the corresponding period of last year. The decrease in operating profit margin from the corresponding period of last year was mainly because the demand for and market selling price of coal declined in Mainland China.

SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Selling and distribution expenses	**—**	14,605
As a percentage of total revenue	**0%**	4.62%

Selling and distribution expenses were nil of the Group for the six months ended 30 June 2015 compared with HK$14,605,000 for the corresponding period in 2014, mainly due to the transportation and distribution of selling to the customers were directly borne by suppliers. As a percentage of total revenue, selling and distribution costs decrease to 0% in the first half of 2015 as compared with 4.62% in the corresponding period of 2014.

ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Administrative expenses	**86,568**	35,794
As a percentage of total revenue	**318.92%**	11%

Administrative expenses increased by HK$50,774,000 to HK$86,568,000 for the six months ended 30 June 2015 from HK$35,794,000 for the corresponding period in 2014. The net increase of HK$50,774,000 was primarily attributable to the amount of an amortisation of intangible assets HK$51,260,000 (the corresponding period in 2014 was HK$0) of the Group. As a percentage of total revenue, administrative expenses significantly increased to 318.92% in the first half of 2015 as compared with 11% in the corresponding period of 2014.

INCOME TAX EXPENSE

For the six months ended 30 June 2015, there is no income tax expense for the Group, (2014: Nil).

NET PROFIT

Net loss and basic loss per share of the Group amounted to HK$76,713,000 and HK$0.71 cents for the six months ended 30 June 2015, as compared with net loss of HK$21,576,000 and basic loss per share of HK$0.31 cents for the six months ended 30 June 2014. The amount of net loss increased HK$55,137,000 in the first half of 2015 mainly due to a substantial decrease in the revenue of the Group for the six months ended 30 June 2015 as the demand for and market price of coal declined in Mainland China resulted in the Group's customers placing a significantly lower number of orders with the Group in order to mitigate the business risk relating to operating coal business, and the amount of amortisation of the Group's intangible assets HK$51,260,000.

Liquidity and Finance Resources

During the period, the Group principally financed its operations with internally generated resources and through exercise of share options. As at 30 June 2015, the Group had interest-bearing borrowings of HK$375,000,000 in total (31 December 2014: 425,000,000), including 7-year bonds of HK$73,000,000 bearing interest at 7% per annum and promissory notes of HK$302,000,000 bearing interest at 1% per annum and repayable within one year.

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

As at 30 June 2015, the Group had current assets of approximately HK$1,119,412,000 (31 December 2014: HK$994,134,000) and current liabilities of approximately HK$709,982,000 (31 December 2014: HK$706,468,000). The Group's current ratio is approximately 1.58 times as at 30 June 2015 as compared with approximately 1.41 times as at 31 December 2014. The Group had total assets of approximately HK$5,676,344,000 (31 December 2014: HK$5,610,830,000) and total liabilities of approximately HK$1,079,917,000 (31 December 2014: HK$1,089,218,000), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 19.02% as at 30 June 2015 as compared with approximately 19.41% as at 31 December 2014. The lower gearing ratio was primarily attributable to the amount of HK$50,000,000 repayment for promissory notes during the reporting period, the date of maturity of the promissory notes extends to 28 February 2016. The details are set out in the announcement dated 27 February 2015.

Capital Expenditures

During the reporting period, the Group has not utilized (for the corresponding period of 2014: HK$525,370) and nil (for the corresponding period of 2014: nil for the disposal) for the addition to the furniture and fixture and the disposal of furniture and fixture respectively.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2015 (31 December 2014: Nil).

Business Review

In the first half of 2015, the Group focused on the development of the "Heavy Energy Hydrogenation and Upgrading Project", a new energy technology project. Beijing Jin Fei Te Energy Technology Company Limited ("JFT"), a subsidiary of the Group, entered into a technology service contract with 煤炭直接液化工程國家試驗室暨中國神華煤制油化工有限公司研究院 (the National Laboratory of Direct Coal Liquefaction & the Institute of China Shenhua Coal to Liquid and Chemical Co., Ltd.) (the "National Laboratory"), pursuant to which the National Laboratory conducted a test of the recovery rate of heavy material engineering fluid hydrogenation light oil products and nature of light oil products on the direct coal liquefaction plant of Shenhua Coal and issued a test report. In addition, 國家石油石化產品質量監督檢驗中心(廣東)(the National

Quality Supervision & Testing Centre for Petroleum and Petrochemical Products (Guangdong)) conducted on-site supervision, sample collection and examination and evaluation of liquid products at the research site of China Shenhua and issued a liquid product evaluation report. The test reports and results above have paved the way for the Group's future development and promotion of new energy technology projects.

In addition to the said creative energy project, the Group's major energy commodities trading business recorded a substantial decrease in revenue for the period ended 30 June 2015 as the overall economic conditions in the PRC and the decline in the demand for and market price of coal in Mainland China resulted in the Group's customers placing a significantly lower number of orders with the Group in order to mitigate the business risk relating to operating coal business.

As China's environment protection situation becomes increasingly harsh and the government strengthens its regulation of environment protection, timber business is no longer a focus of the Group. During the Period, the Group negotiated with potential buyers in relation to the overall disposal of its forest and forestland development rights, but an agreement had not been reached.

Business Outlook

Taking into account the best interests of the Company and its shareholders, the management of the Group will continue to focus on the implementation of development plans for energy resource products and business. The "Heavy Energy Hydrogenation and Upgrading Project", a new energy technology project, has produced remarkable test results, which is conducive to the Group promoting new energy technology projects to large enterprise groups in the PRC and will hopefully bring other income such as technical service fees. With the repeated fluctuation and decline in the prices of coal and crude oil and the decrease in domestic demand for coal and crude oil in the first half of 2015, the Group expects its coal trading business to continue to face challenging situations and have a thin profit. Although the Group will continue to develop major energy commodities trading business, it will carry out such transactions using extra caution to lower the coal-related business risk. Given that its timber business has not produced any results, the Group will change its timer business model by seeking overall disposal of its forest and forestland development rights and will continue to identify suitable potential buyers in the market for discussion.

Operating Risk

As for coal trading business, in addition to weak demand, the price of coal also experienced wide fluctuations and showed a general downward trend in the first half of 2015. The volume of sales orders for coal trading had significantly declined in the first half of the year. The Group had to conduct negotiations with its customers, otherwise defaults may occur.

Foreign Exchange Exposure

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies, where the revenue and cost of sales are denominated in USD or HKD. The exchange rate between HKD and USD are relatively stable as a result of the Linked Exchange Rate System, and the exchange rate fluctuations between RMB and USD may affect the Group's performance and asset value, The Group had not entered into any derivative contracts to hedge against the foreign exchange risk for the six months ended 30 June 2015. As RMB experienced depreciation in the second half of the year and most of the Group's assets are located in mainland China, such assets therefore are expected to impair upon conversion into HKD at the end of the year.

Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant, Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Interest Rate Risk

The risk in interest rate concerning the Group primarily related to its short-term and long-term loans and other borrowings. The interests are calculated at fixed rates. To the end of the period, the Group has neither executed any form of interest rate agreement or derivative to hedge against the fluctuation in interest rate.

Employees and Remuneration Package & Policy

As at 30 June 2015, the Group had approximately 35 employees (2014: 60 employees). The decrease in the number of employees was mainly because certain sales persons of 天津市利寶煤炭銷售有限公司 (Tianjin Libao Coal Trading Limited), a subsidiary of the Group, quitted as a result of the decline in its revenue from coal sales. 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. The remuneration of the Group's employees is commensurate with their responsibilities and market rates, with discretionary bonuses given on a merit basis.

DISCLOSURE OF ADDITIONAL INFORMATION

Directors' and Chief Executive's Interests or Short Positions in Shares and Share Options

As at 30 June 2015, the interests of the directors and chief executives of the Company in the shares and share options of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long position

Ordinary shares of HK$0.10 each of the Company

Name of directors	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital
Mr. JING Bin	Interest in controlled corporation *(Note 1)*	263,145,137	3.215%
Mr. YANG Jilin	Beneficial owner	2,440,000	0.030%
		265,585,137	3.245%

Note:

1. These shares of the Company are held by Magic Stone Fund (China), a company incorporated in the Cayman Islands. Mr. JING Bin owns 17.77% of the issued share capital of Magic Stone Fund (China).

Save as disclosed above, none of the other directors, chief executives and their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2015.

Directors' Right to Acquire Shares or Debentures

Save as disclosed under the heading "Directors and chief executive's interests or short positions in shares and share options" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial Shareholders

As at 30 June 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executive, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK$0.10 each of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Number of underlying shares (convertible notes or share options) held	Percentage of the issued share capital of the Company
Magic Stone Fund (China)	Investment manager *(Note 5)*	1,611,111,000	—	19.683%
Mr. YANG Dongjun	Interest of controlled corporation *(Note 1)*	1,611,111,000	—	19.683%
	Beneficial owner	200,000,000	—	2.443%
Wider Success Holdings Limited	Beneficial owner	789,425,000	—	9.645%
Ms. HUANG Ying	Interest of controlled corporation *(Note 2)*	789,425,000	—	9.645%
Ms. GONG Diqing	Beneficial Owner	605,689,000	—	7.400%
Mr. LI Kwong Yuk	Interest of controlled corporation *(Note 3)*	303,955,000	—	3.713%
	Beneficial Owner	588,620,000	—	7.191%
China State Shipbuilding Corporation	Interest of controlled corporation *(Note 4&5)*	400,000,000	—	4.887%
China Shipbuilding Industry Complete Equipment Logistics Company Limited	Person having a security interest in shares *(Note 5)*	400,000,000	—	4.887%

Note:

1. Mr. YANG Dongjun owned 80.25% of Magic Stone Fund (China), a company incorporated in the Cayman Islands. Accordingly, Mr. YANG Dongjun was deemed to be interested in 1,611,111,000 shares held by Magic Stone Fund (China) under the SFO. Mr. YANG Dongjun is the father of Mr. YANG Jilin, an executive director of the Company.

2. Ms. HUANG Ying owned 76.46% of Wider Success Holdings Limited, a company incorporated in the British Virgin Islands (the "BVI"). Accordingly, Ms. HUANG Ying is deemed to be interested in 789,425,000 underlying shares held by Wider Success Holdings Limited.

3. These shares are owned as to 303,955,000 shares by Win Master Group Limited ("Win Master"), a company incorporated in the BVI. Win Master is wholly-owned by Mr. LI Kwong Yuk. As such, Mr. LI Kwong Yuk is deemed to be interested in the 303,955,000 shares held by Win Master.

4. 中國船舶工業集團公司 (China State Shipbuilding Corporation) ("CSSC") is interested in 100% of the shares of 中船工業成套物流有限公司 (China Shipbuilding Industry Complete Equipment Logistics Company Limited) ("China Shipbuilding"), a company incorporated in the People's Republic of China. Accordingly, CSSC is deemed to be interested in the 400,000,000 shares pledged by Magic Stone Fund (China) in favour of China Shipbuilding.

5. Pursuant to a share mortgage agreement entered into between Magic Stone Fund (China) and China Shipbuilding, China Shipbuilding holds a security interest in 400,000,000 shares beneficially owned by Magic Stone Fund (China).

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 30 June 2015.

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the six months ended 30 June 2015.

Corporate Governance

The Board is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence incorporate governance.

The Code on Corporate Governance Practices ("CGP Code") issued by the Stock Exchange in its Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") sets out two levels of corporate governance practices, namely, mandatory code provisions that a listed company must comply with or explain its non-compliance, and recommended best practices that listed companies are encouraged to comply with but need not disclose in the case of non-compliance. The Company is in Compliance with the mandatory code provisions of the CGP Code, save for the deviations discussed below.

The Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015, with deviations from code provisions A.4.1 of the Code in respect of term of office of non-executive directors.

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election.

Currently, all independent non-executive directors have not been appointed for a specific term of office with the Company. Instead, they are subject to retirement by rotation in accordance with the Articles of Association. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

Model Code For Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiries by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2015.

Audit Committee Review

The Company has an Audit Committee which was established for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated interim information of the Group for the six months ended 30 June 2015.

Clarification — Annual Report of the Company for the year ended 31 December 2014 (the "Annual Report")

Reference is made to the Annual Report. The Board wishes to clarify and confirm that:—

(1) the sixth line of the second paragraph "representing approximately 1.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares" as shown on page 12 of the Annual Report should be amended as "representing approximately 1.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares";

(2) as for the disclosure in interest in long position on page 15 of the Annual Report, Mr. Yang Jilin should be added as a beneficial owner who held 2,440,000 ordinary shares in issue, representing 0.030% of the issued share capital, and the total number of issued ordinary shares held showed as 263,145,137, representing 3.276% of the issued share capital should be revised to 265,585,137, representing 3.306% respectively;

(3) the phrase "Mr. YANG Dongjun owned 63.52% of Magic Stone Fund (China)" in Note 1 as shown on page 17 of the Annual Report should be amended as "Mr. YANG Dongjun owned 80.25% of Magic Stone Fund (China)";

(4) there was an inadvertent error with respect to the Chairman of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on pages 19, 25 and 26 of the Annual Report. Mr. LI Qunsheng has been appointed as Chairman of each of the above three Committees on 16 July 2014. Therefore, any references to Mr. CHEN Xiaoming as Chairman of the above three Committees on pages 19, 25 and 26 of the Annual Report should be amended to Mr. LI Qunsheng accordingly;

(5) the phrase "Mr. YUAN Jun ("Mr. Yuan"), aged 46, an economist, was appointed as an independent non-executive director of the Company on 6 July 2014." as shown on page 32 of the Annual Report should be amended as "Mr. YUAN Jun ("Mr. Yuan"), aged 46, an economist, was appointed as an independent non-executive director of the Company on 16 July 2014.".

Save as disclosed and clarified above, the remaining contents of the Annual Report remain unchanged.

By Order of the Board
Superb Summit International Group Limited
Jing Bin
Executive Director and Chief Executive

Hong Kong, 28 August 2015

As at the date of this announcement, the executive Directors are Mr. Jing Bin (Chief Executive Officer) and Mr. Yang Jilin and the independent non-executive Directors are Mr. Chen Xiaoming, Mr. Li Qunsheng and Mr. Yuan Jun.