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**SUPERB SUMMIT INTERNATIONAL TIMBER COMPANY LIMITED**

**奇峰國際木業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01228)**

**(1) TOP-UP PLACING  
AND  
(2) RESUMPTION OF TRADING**

**Placing Agent**



**KINGSTON SECURITIES LIMITED**

**THE TOP-UP PLACING**

On 9 June 2009, the Vendor entered into the Top-up Placing and Subscription Agreement with the Placing Agent and the Company. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor agreed to place, through the Placing Agent, 3,510,000,000 Top-up Placing Shares, on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules) at a price of HK\$0.048 per Top-up Placing Share. Pursuant to the Top-up Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 3,510,000,000 Top-up Subscription Shares at a price of HK\$0.048 per Top-up Subscription Share.

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.048 represents:

(i) a discount of approximately 11.11% to the closing price of HK\$0.054 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and

(ii) a discount of approximately 4.00% to the average closing price of HK\$0.050 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

The 3,510,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represents (i) approximately 14.55% of the existing issued share capital of the Company of 24,118,965,816 Shares as at the date of this announcement and (ii) approximately 12.70% of the issued share capital of the Company of 27,628,965,816 Shares as enlarged by the Top-up Subscription.

The Top-up Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-up Subscription Shares; and (ii) completion of the Top-up Placing.

The gross proceeds from the Top-up Subscription will be approximately HK\$168.5 million. The net proceeds of approximately HK\$164.0 million from the Top-up Subscription is intended to be used for partial repayment of bank loans and general working capital of the Group. The net proceeds raised per Share upon the completion of the Top-up Subscription will be approximately HK\$0.0467 per Share.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on Tuesday, 9 June 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 11 June 2009.

## **THE TOP-UP PLACING AND SUBSCRIPTION AGREEMENT**

### **Date**

9 June 2009

### **Parties involved**

The Vendor, the Company and the Placing Agent

## **THE TOP-UP PLACING**

### **Parties involved**

The Vendor and the Placing Agent

## **Placing Agent**

The Placing Agent has agreed to place 3,510,000,000 Top-up Placing Shares, on a fully underwritten basis, to the Placees and will receive a placing commission of 2.5% on the gross proceeds of the Top-up Placing Shares being placed, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

## **Placees**

The Placing Agent agreed to place the Top-up Placing Shares, on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). It is not expected that any individual Placee will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the Top-up Placing.

## **Top-up Placing Price**

The Top-up Placing Price (or the Top-up Subscription Price) of HK\$0.048 represents:

- (i) a discount of approximately 11.11% to the closing price of HK\$0.054 per Share as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and
- (ii) a discount of approximately 4.00% to the average closing price of HK\$0.050 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

The Top-up Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on the date of the Top-up Placing and Subscription Agreement. The Directors consider that the terms of the Top-up Placing (including the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Number of the Top-up Placing Shares**

3,510,000,000 Top-up Placing Shares (or the Top-up Subscription Shares) represents (i) approximately 14.55% of the existing issued share capital of the Company of 24,118,965,816 Shares as at the date of this announcement and (ii) approximately 12.70% of the issued share capital of the Company of 27,628,965,816 Shares as enlarged by the Top-up Subscription. The nominal value of the Top-up Placing Shares (or the Top-up Subscription Shares) under the Top-up Placing will be HK\$35,100,000.

## **Ranking of Top-up Placing Shares**

The Top-up Placing Shares rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

## **Conditions of the Top-up Placing**

The Top-up Placing is unconditional.

## **Completion**

The Top-up Placing is expected to be completed on or before the fourth Business Day following the date on which trading in the Shares resumes on the Stock Exchange or such other date as the Vendor and the Placing Agent shall agree.

## **THE TOP-UP SUBSCRIPTION**

### **Parties involved**

The Company and the Vendor

### **The Top-up Subscription Price**

The Top-up Subscription Price is HK\$0.048 per Top-up Subscription Share. The Top-up Subscription Price is the same as the Top-up Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Top-up Placing Price of the Top-up Placing Shares.

### **The Top-up Subscription Shares**

The Top-up Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 4,823,793,163 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. Following the completion of the Top-up Subscription, a total number of 3,510,000,000 Shares will be allotted and issued, representing approximately 72.76% of the 4,823,793,163 Shares granted under the General Mandate.

### **Number of Top-up Subscription Shares**

The number of Top-up Subscription Shares is equivalent to the number of Top-up Placing Shares.

## **Ranking of Top-up Subscription Shares**

The Top-up Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Top-up Subscription Shares.

## **Conditions of the Top-up Subscription**

The Top-up Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-up Subscription Shares; and
- (ii) completion of the Top-up Placing.

## **Completion**

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-up Subscription must be completed within 14 days from the date of the Top-up Placing and Subscription Agreement, that is, on or before 23 June 2009.

In the event that the conditions of the Top-up Placing and Subscription Agreement are not fulfilled by 23 June 2009, or such later date as may be agreed between the Company and the Vendor, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules (including the Shareholder's approval), to postpone completion of the Top-up Subscription to a later date to be agreed between the Company and the Vendor.

## **REASONS FOR THE TOP-UP PLACING AND USE OF PROCEEDS**

The Directors consider various ways of raising funds and consider that the Top-up Placing and Top-up Subscription represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Top-up Placing and Top-up Subscription are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Top-up Subscription will be approximately HK\$168.5 million. The net proceeds of approximately HK\$164.0 million from the Top-up Subscription is intended to be used for partial repayment of bank loans and general working capital of the Group. The net proceeds raised per Share upon the completion of the Top-up Subscription will be approximately HK\$0.0467 per Share.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after the Top-up Placing but before the Top-up Subscription		Immediately after the Top-up Placing and the Top-up Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Vendor	3,510,000,000	14.55	-	-	3,510,000,000	12.70
Huge Healthy Investments Development Limited ( <i>Note 1</i> )	329,120,000	1.36	329,120,000	1.36	329,120,000	1.19
Mr. Lee Chi Kong ( <i>Note 2</i> )	1,650,000	0.01	1,650,000	0.01	1,650,000	0.01
Superview International Limited ( <i>Note 3</i> )	10,000,000	0.04	10,000,000	0.04	10,000,000	0.04
Placees ( <i>Note 4</i> )	-	-	3,510,000,000	14.55	3,510,000,000	12.70
Other public Shareholders	20,268,195,816	84.04	20,268,195,816	84.04	20,268,195,816	73.36
Total	24,118,965,816	100.00	24,118,965,816	100.00	27,628,965,816	100.00

Note:

- 1) Huge Healthy Investments Development Limited is wholly owned by Mr. Lee Chi Kong.
- 2) Mr. Lee Chi Kong, an executive director of the Company.
- 3) Superview International Limited owns 30% of the issued share capital of a subsidiary of the Company.
- 4) None of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Top-up Placing and the Top-up Subscription.

## GENERAL

The Group is principally engaged in exploitation and management of timber resources in the PRC; research and development, processing, manufacture, distribution, marketing and sales of a wide range of timber products and manufacture and sales of electronic products.

The existing authorised share capital of the Company consists of 100,000,000,000 Shares out of which 24,118,965,816 Shares are issued and fully paid up.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Top-up Subscription Shares.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on Tuesday, 9 June 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 11 June 2009.

## TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 3 June 2009
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong
“Company”	Superb Summit International Timber Company Limited, an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Top-up Placing Shares pursuant to the Placing Agent’s obligations under the Top-up Placing and Subscription Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“PRC”	The People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Top-up Placing”	the placing of 3,510,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Top-up Placing and Subscription Agreement
“Top-up Placing and Subscription Agreement”	the agreement dated 9 June 2009 entered into between the Vendor, the Company and the Placing Agent in relation to the Top-up Placing and the Top-up Subscription
“Top-up Placing Price”	HK\$0.048 per Top-up Placing Share
“Top-up Placing Share(s)”	3,510,000,000 existing Shares, beneficially owned by the Vendor and to be placed pursuant to the Top-up Placing and Subscription Agreement
“Top-up Subscription”	the subscription of up to 3,510,000,000 Top-up Subscription Shares by the Vendor pursuant to the terms of the Top-up Placing and Subscription Agreement
“Top-up Subscription Price”	HK\$0.048 per Top-up Subscription Share
“Top-up Subscription Share(s)”	3,510,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-up Placing and Subscription Agreement
“Vendor”	Super Giant Assets Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially owned by Mr. Lam Ping Kei
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 10 June 2009

*As at the date of this announcement, the Board comprised four executive directors, namely Lee Chi Kong (Chairman), Jing Bin (Chief Executive Officer), Law Wai Fai and Cheng Man For; three independent non-executive directors, namely Chan Chi Yuen, Wong Yun Kuen and Zhu Guang Qian.*