森美(集團)控股有限公司
Summi (Group) Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00756)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

	2021 *RMB'000*	2020 *RMB'000*	Change% (Approximately)
Consolidated statement of profit or loss and other comprehensive income			
Continuing operations			
Revenue	**111,168**	50,993	118%
Gross profit (loss)	**4,231**	7,727	N/A
(Loss) profit for the year	**(48,518)**	315,417	N/A
EBITDA *(note)*	**1,781**	384,775	N/A
Basis EPS *(RMB cents)*	**2.83**	23.40	N/A
Diluted EPS *(RMB cents)*	**N/A**	21.48	N/A
Discontinued operation			
Loss for the year	**—**	(1)	(100%)
Basic EPS *(RMB cents)*	**—**	—	N/A
Diluted EPS *(RMB cents)*	**—**	—	N/A
Continuing operations and discontinued operation			
(Loss) profit for the year	**(48,518)**	315,416	N/A
Basic EPS *(RMB cents)*	**2.83**	23.40	N/A
Diluted EPS *(RMB cents)*	**N/A**	21.48	N/A
Proposed final dividend *(HK cents per share)*	**—**	—	N/A
Consolidated statement of financial position			
Cash and cash equivalents	**3,770**	6,842	(45%)
Inventories	**5,659**	15,823	(64%)
Trade receivables	**2,587**	2,629	(2%)
Borrowings	**259,458**	274,198	(5%)
Net liabilities value	**(236,743)**	(330,907)	(28%)

Note: EBITDA: profit (loss) before tax + finance costs + depreciation + amortisation — interest income

The board (the "Board") of directors (the "Directors") of Summi (Group) Holdings Limited (the "Company") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2021 (the "Reporting Period"). The consolidated financial statements of the Group have been reviewed by the audit committee of the Company (the "Audit Committee").

BUSINESS REVIEW AND PROSPECT

During the Reporting Period, the Group has been continuing in expanding its product range as well as sales network channel. The Group has explored different beverage products and preliminary success has been proven. For the Reporting Period, the Group recorded revenue of approximately RMB111,168,000 (2020: RMB50,993,000), representing an increase of approximately 118%. During the Reporting Period, the gross profit of the Group was RMB4,231,000 (2020: RMB7,727,000), representing a decrease of approximately RMB3,496,000 and the gross profit margin was 3.8% (2020: 15.2%). The decrease in gross profit margin was mainly due to the pressure on pricing in the market and the Group has been pushing new products to the market with lower gross profit margin.

The management of the Company used its best endeavours to maintain the sustainability of the Company. On 23 October 2020, the Company and certain banks (the "Banks"), principal of which under the original loan agreement with the respective Banks amounted to approximately RMB99,444,000, entered into a loan restructuring agreement (the "Agreement"), pursuant to which, the Banks agreed to restructure their respective bank loan principal as an extended syndication loan with a tenor of 5 years. Further to the terms and conditions to the Agreement, the Banks agreed not to commence or continue with any legal proceedings against the Company in relation to the breaching of clauses of the Original Agreement. The Agreement has been duly executed and this resulted in the substantial improvement of the Company's financial position as at 30 June 2021. As at 30 June 2021, the Group recorded net liabilities of approximately RMB236,743,000, which were significantly improved as compared with that of 30 June 2020 amounting to approximately RMB330,907,000.

Other than exploring the existing business of the Group, the Group has been striving for diversifying its business and identifying new locations for setting up new plant locations of the Company's products. Currently, the Group has established a subsidiary in Chenzhou, Hunan and a joint venture in Liaozhong, Shengyang (the "Companies") and negotiation with the local governments are undergoing. The Companies have been at the preliminary stage of development, and the management of the Company expects that the Companies have the potential to become a robust profit engine of the Group in the foreseeable future.

DISCLAIMER OPINION

Yongtuo Fuson CPA Limited ("Yongtuo Fuson"), the auditors of the Company were engaged to audit the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2021. However, Yongtuo Fuson was unable to express an opinion on the consolidated financial statements of the Group, reasons and details of which were set out in the "EXTRACT FROM INDEPENDENT AUDITOR'S REPORT" Section of the announcement.

1. On the opening balances and corresponding figures since they are unable to carry out audit procedures to satisfy themselves whether the consolidated financial statements for the year ended 30 June 2020 gave a true and fair view ("Audit Qualification I"); and

2. Multiple uncertainties relating to going concern ("Audit Qualification II").

THE CONSIDERATION OF THE MANAGEMENT AND AUDIT COMMITTEE IN RELATION TO THE AUDIT QUALIFICATION

In relation to audit qualification I

The management of the Company and the audit committee of the Company discussed the Audit Qualification I and concurs with the view of Yongtuo Fuson. However, subsequent to the deregistration of Chongqing Bangxing on 4 November 2019, the financial information of Chongqing Bangxing has been derecognised from the Group's consolidated financial statements and except for the opening balances of the Group for the year ended 30 June 2020 (i.e. the financial information as at 1 July 2019), the Audit Qualification I would be removed.

In relation to audit qualification II

The management of the Company used its best endeavours to maintain the sustainability of the Company. On 23 October 2020, the Company and certain banks (the "Banks"), principal of which under the original loan agreement with the respective Banks amounted to approximately RMB113,317,000, entered into a loan restructuring agreement (the "Agreement"), pursuant to which, the Banks agreed to restructure their respective bank loan principal as an extended syndication loan with a tenor of 5 years. Further to the terms and conditions to the Agreement, the Banks agreed not to commence or continue with any legal proceedings against the Company in relation to the breaching of clauses of the original Agreement. The Agreement has been duly executed and this resulted in the substantial improvement of the Company's financial position as at 30 June 2021. As at 30 June 2021, the Group recorded net liabilities of approximately RMB236,743,000, which were significantly improved as compared with that of 30 June 2020 amounting to approximately RMB330,907,000.

OPERATING PERFORMANCE

Summi Products

During the Reporting Period, the Group has been rebuilding the sales network and developing new products in relation to Summi Products to leverage the advantages of "Summi" brand. During the Reporting Period, sales of Summi Products increased by 197% from approximately RMB35,308,000 in last year to RMB104,977,000, which was mainly attributable to the sales of Summi Products in the supermarkets in the PRC, Hong Kong and Malaysia under the new business model. During the Reporting Period, the Group has developed a series of new products to support the growth of revenue of the Group. The launch of new products has leveraged the Group's advantages in food and beverage industry.

FCOJ and related products

Sales of FCOJ and related products decreased from approximately RMB15,685,000 over the same period last year to approximately RMB6,191,000 in the Reporting Period. During the Reporting Period, international frozen orange juice futures prices have remained stable, same prices as compared with the previous year were recorded for the sale prices of FCOJ.

Breakdown of revenue by product for the year ended 30 June 2021 and the corresponding year are set out as follows:

	2021		2020	
	RMB'000	**Percentage of total revenue**	*RMB'000*	Percentage of total revenue
Summi brand products and other products	**104,977**	**94.4%**	35,308	69.2%
FCOJ and related products	**6,191**	**5.6%**	15,685	30.8%
	111,168	**100%**	50,993	100%

Selling, distribution costs and administrative expenses

The Group's distribution costs mainly included marketing expenses and transportation costs. Distribution costs increased by approximately 44% from approximately RMB2,836,000 over the corresponding year to approximately RMB4,072,000 during the year.

The Group's administrative expenses mainly included general office administrative expenses, salaries, amortisation, etc. Administrative expenses decreased from approximately RMB42,699,000 over the corresponding year to approximately RMB41,720,000 during the Reporting Period.

Finance costs

During the Reporting Period, the Group's finance costs were approximately RMB30,491,000 (2020: RMB46,020,000).

Net (loss) profit

During the Reporting Period, the Group's net loss was approximately RMB48,518,000, as compared to net profit of approximately RMB315,416,000 as compared with the corresponding year.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Liquidity

As at 30 June 2021, net current liabilities amounted to approximately RMB263,134,000 (2020: net current liabilities of approximately RMB294,934,000).

Financial resources

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB3,770,000 (2020: approximately RMB6,842,000) and total bank and other borrowings of approximately RMB259,458,000 (2020: approximately RMB274,198,000). The Group has corporate bonds of RMB99,697,000 (2020: RMB95,929,000).

As at 30 June 2021, trade and other receivables were approximately RMB22,138,000 (2020: approximately RMB8,407,000) and inventories were approximately RMB5,659,000 (2020: approximately RMB15,823,000).

Gearing

The Board's approach to manage the working capital is to ensure sufficient liquid assets to meet its matured liabilities so as to avoid any unacceptable losses or damage to the Group's reputation.

	2021	2020
Quick ratio (x)	**0.02**	0.05
Current ratio (x)	**0.11**	0.09
Gearing ratio *(note (a))*	**N/A**	N/A

Note (a): Gearing ratio is defined as the sum of borrowings and corporate bonds over total equity.

FOREIGN EXCHANGE EXPOSURE

The Group is subject to foreign exchange risks arising primarily from currencies pegged to United States Dollar. Majority of our income source is denominated in Renminbi while the repayment of interest and principals of our bank borrowings, are denominated in United States Dollar. Any substantial fluctuation between the currencies may have significant effects on the Group.

Furthermore, the conversion of Renminbi into foreign currencies is subject to rules and regulations of exchange control enforced by the government. The Group has a standing foreign exchange risk management policy and uses forward contracts and various derivative instruments to mitigate the associated risks.

PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged certain assets to borrowers to secure credit facilities granted to the Group, of which the details are set out in note 18 to this announcement.

CONTINGENT LIABILITIES

In May 2021, the Company received a statement of claim from a former employee relating to the outstanding wages and end of year payment with an aggregate amount of HK$2,520,000 (equivalent of RMB2,297,000) and the Group has already made a full provision for such claim during the years ended 30 June 2020 and 2021. As at the end of the reporting period and up to the date of approval of these financial statements, apart from expressly stated above, the Group is a party to a number of civil litigations cases, as either a plaintiff or defendant. In the opinion of the Directors, these cases are either premature and/or the Group has a very high likelihood of success in its action and, therefore will not have any adverse impact on the Group's results and financial position. In the opinion of the Directors, adequate provision has been made in these consolidated financial statements. Other than the above, the Group did not have any material contingent liabilities as at 30 June 2021.

CAPITAL EXPENDITURE

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB51,000 (2020: approximately RMB6,486,000) which was used for acquisition of property, plant and equipment.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2021, the Group employed 121 employees (2020: 113 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. In addition, a share option scheme (the "Scheme") has been adopted since 7 June 2008 for the employees of the Group. The limit in respect of shares that may be issued pursuant to the exercise of all share options granted under the Scheme has been refreshed on 5 November 2012.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2021 RMB'000	2020 RMB'000
Continuing Operations			
Revenue	4	**111,168**	50,993
Cost of sales		**(106,937)**	(43,266)
Gross profit		**4,231**	7,727
Other income	6	**3,794**	6,024
Other operating expenses		**(36)**	(135)
Selling and distribution expenses		**(4,072)**	(2,836)
Administrative expenses		**(41,720)**	(42,699)
Gain from loan settlement agreement	7	—	372,125
Changes in fair values	9	**13,676**	18,621
Reversal of impairment losses	9	**6,100**	2,610
Finance costs	8	**(30,491)**	(46,020)
(Loss) profit before tax		**(48,518)**	315,417
Income tax	10	—	—
(Loss) profit for the year from Continuing Operations		**(48,518)**	315,417
Discontinued Operation from Plantation and Sale of Agricultural Produce Business			
Loss for the year from Discontinued Operation	11	—	(1)
(Loss) profit for the year		**(48,518)**	315,416
Other comprehensive income (expense) for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**31,437**	(29,369)
Total comprehensive (expense) income for the year attributable to owners of the Company		**(17,081)**	286,047

	Notes	**2021**	2020
		RMB'000	*RMB'000*
(Loss) profit for the year attributable to owners of the Company			
— from Continuing Operations		**(48,360)**	315,417
— from Discontinuing Operation		**—**	(1)
		(48,360)	315,416
Loss for the year attributable to non-controlling interests			
— from Continuing Operations		**(158)**	—
		(48,518)	315,416
Total comprehensive (expenses) income attributable to:			
— owners of the Company		**(16,923)**	286,047
— non-controlling interests		**(158)**	—
		(17,081)	286,047
(Loss) earnings per share	*13*		
From continuing and discontinued operations			
— Basic and diluted (RMB cents)		**(2.83)**	23.40
— Diluted (RMB cents)		**N/A**	21.48
From Continuing Operations			
— Basic (RMB cents)		**(2.83)**	23.40
— Diluted (RMB cents)		**N/A**	21.48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment		**124,347**	137,468
Right-of-use assets		**21,370**	21,806
		145,717	159,274
Current assets			
Inventories		**5,659**	15,823
Trade and other receivables	*14*	**22,138**	8,407
Cash and cash equivalents		**3,770**	6,842
		31,567	31,072
Current liabilities			
Trade and other payables	*15*	**52,802**	84,108
Borrowings	*16*	**202,167**	171,007
Lease liabilities		**163**	131
Corporate bonds		**39,569**	42,748
Derivative financial instruments		**—**	28,010
Income tax payable		**—**	2
		294,701	326,006
Net current liabilities		**(263,134)**	(294,934)
Total assets less current liabilities		**(117,417)**	(135,660)

	Notes	**2021** *RMB'000*	2020 *RMB'000*
Non-current liabilities			
Deferred tax liabilities		**1,250**	1,250
Borrowings	*16*	**57,291**	103,191
Lease liabilities		**657**	498
Corporate bonds		**60,128**	53,181
Convertible bonds		**—**	37,127
Deferred income		**—**	—
		119,326	195,247
Net liabilities		**(236,743)**	(330,907)
Capital and reserves			
Share capital	*17*	**19,341**	11,610
Reserves		**(255,926)**	(342,517)
Deficit attributable to owners of the Company		**(236,585)**	(330,907)
Non-controlling interests		**(158)**	—
Total shareholders' deficit		**(236,743)**	(330,907)

1. GENERAL

Summi (Group) Holdings Limited was 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"). Its parent and ultimate holding company is Rui Er Holdings Company Limited (the "Controlling Shareholder"), a company incorporated in the British Virgin Islands (the "BVI").

The Company acts as an investment holding company.

Prior to the Termination Date (as defined in note 2(i)), the Group was previously principally involved in: (1) plantation and sale of agricultural produce (the "Plantation and Sale of Agricultural Produce Business"); (2) production and sale of frozen concentrated orange juice ("FCOJ") and other related products (the "Production and Sale of FCOJ and Other Related Products Business"); and (3) production and sale of Summi 100% freshly squeezed orange juice ("Summi Fresh Orange Juice") and other products (the "Product and Sale of Summi Fresh Orange Juice and Other Products Business"). Subsequent to the cessation of the Plantation and Sale of Agricultural Produce Business segment in prior years (the "Discontinued Operation", and details of which are set out in notes 2(i) and 11), from the Termination Date, the Group continues to be engaged in the Production and Sale of FCOJ and Other Related Products Business and Product and Sale of Summi Fresh Orange Juice and Other Products Business (collectively referred to as the "Continuing Operations").

The Company's functional currency is Hong Kong dollars ("HK$") while that for the major subsidiaries in the People's Republic of China (the "PRC") is Renminbi ("RMB"). As the operation of the Group is mainly held in the PRC, the directors of the Company (the "Directors") consider that it is appropriate to present the consolidated financial statements in RMB.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. BASIS OF PREPARATION

(i) Chongqing Bangxing

As disclosed in the Company's announcements dated 12 April 2019, 16 April 2019, 23 April 2019, 3 May 2019, 26 June 2019 and 30 July 2019, the management of the Company was unable to contact Mr. Sin Ke ("Mr. Sin"), who was the former Chairman of the Board, the former Chief Executive Officer and the former executive director of the Company. Pursuant to the amended and restated Articles of Association of the Company and the service contract between Mr. Sin and the Company, Mr. Sin was removed from his position as a director of the Company on 23 April 2019. Further, Mr. Sin had also ceased to be the Chairman and the Chief Executive Officer of the Company at the same time. Since Mr. Sin was the main contact person between the Company and the orange plantations (the "Orange Plantations") in respect of the Group's Plantation and Sale of Agricultural Produce Business through a former wholly-owned subsidiary of the Company, 重慶邦興果業有限公司 (Chongqing Bangxing Fruit Co., Ltd., "Chongqing Bangxing") at that moment, the Group had taken measures in order to assess the Orange Plantations such as visiting the Orange Plantations and communicating and negotiating with the local communities of plantations. However, in view of the left of Mr. Sin, the Group could not reach an agreement with the local communities of plantations and the Group had been unable to access to the oranges borne by the orange trees in the Orange Plantations. After several months of efforts, the management of the Company had abandoned the negotiation with the local communities of plantations and thus, pursuant to the resolution of the board of Directors on 26 June 2019, the Company decided to cease and discontinue its Plantation and Sale of Agricultural Produce Business with effective from 26 June 2019 (the "Termination Date"), i.e. the Discontinued Operation and details of which are described in note 11.

In September 2019, the Group submitted the application to the relevant PRC government authorities to deregister Chongqing Bangxing and the deregistration procedures was completed on 4 November 2019 (the "Date of Deregistration"). Subsequently, all the assets and liabilities of Chongqing Bangxing were derecognised from the consolidated financial statements of the Group, if any.

Given the loss of certain accounting records and documents of Chongqing Bangxing and the fact that the Group was unable to contact Mr. Sin, certain former key personnel and management of the Group who were previously responsible to the operations and businesses of Chongqing Bangxing, the Directors considered that the historical information of Chongqing Bangxing may not be complete and sufficient to establish an accurate and reliable view of the historical transactions, trading and financial position of Chongqing Bangxing. Accordingly, the Directors believed that, as at the date of this report, it is almost impossible, and not practical, to ascertain the transactions of Chongqing Bangxing during the period from 1 July 2019 to the Date of Termination (the "Relevant Period"), such as the transactions with the local communities of plantations, the payments made to the local communities of plantations and the cultivation costs incurred in respect of the biological assets etc. during the Relevant Period for inclusion in the consolidation financial statements of the Group for the year ended 30 June 2020.

Due to insufficient financial information as mentioned above, the Directors were unable to ensure whether the consolidated financial statements for the year ended 30 June 2020 had been properly prepared in compliance with disclosures requirements under International Financial Reporting Standards ("IFRS(s)") issued by the International Accounting Standards Board (the "IASB"), Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") thereof.

Particulars regarding to the Discontinued Operation during the year ended 30 June 2020 are disclosed in note 11.

(ii) Going concern basis

During the year ended 30 June 2021, the Group reported a loss of RMB$48,518,000 (2020: a profit of RMB315,416,000) and as at 30 June 2021, the Group had net current liabilities of RMB263,134,000 (2020: RMB294,934,000) and a deficit of shareholders' equity attributable to owners of the Company of RMB236,585,000 (2020: RMB330,907,000). Further, as at 30 June 2021, the Group's borrowings, including borrowings and corporate bonds were RMB359,155,000 (2020: RMB407,254,000). Out of which, as at 30 June 2021, an amount of RMB241,736,000 (2020: RMB 213,755,000) will fall due repayable within one year.

A bank (the "Bank") issued demand letters dated 15 April 2019 and 3 July 2020 and a Writ of Summons indorsed with a Statement of Claim dated 14 July 2020 to the Group relating to a loan granted to the Group. As at 30 June 2021, the outstanding loan balance and accrued interest due to the Bank were RMB15,309,000 (2020: RMB16,866,000) and RMB3,036,000 (2020: RMB1,953,000), respectively. The Directors are still negotiating with the Bank to restructure the loan and the accrued interest.

During the year, the Group's borrowings with an aggregate amount of RMB113,317,000 (2020: RMB 132,821,000) was overdue and/or in breaching the clauses of the respective agreements with the lenders and thus, such incidents may cause the relevant borrowings become immediately due and payable should the lenders exercise their rights under the respective agreements.

In addition, such overdue and/or in breaching of the clauses of the respective agreements also triggered the cross-default terms of the Group's corporate bonds of RMB39,569,000 (2020: RMB42,748,000) as at 30 June 2021, which may also cause these borrowings to become immediately due and payable should the lenders exercise their rights under the respective agreements.

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

(i) The Group is still actively participating in the negotiations in respect of a potential restructuring of the Company's existing debts and liabilities with its lenders and creditors (the "Financing Reorganisation");

(ii) The Group continues to take active measures to control operation and administrative costs through various channels, including but not limited to (i) having production and human resources optimisation and adjustments, (ii) reorganising the structure to each segment and maintaining close communication with suppliers, customers and banks, etc. (iii) committing to soliciting for new customers and exploring overseas markets to support the substantiable development of principle business of the Group; and (iv) containment of capital expenditures etc. (the "Business and Operation Restructuring Plan"); and

(iii) The Group is still actively in the process of negotiating with various bank, other financial institutions, third parties and related parties to raise short-term and or long-term financing to the Group (the "Additional Funding Plan").

The Directors have reviewed the Group's cash flow projections prepared by the management of the Company. The cash flow projections cover a period of not less than twelve months from 30 June 2021. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2021. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) Successful in the finalisation of the Financing Reorganisation with the lenders and creditors;

(ii) Successful in the Business and Operation Restructuring Plan;

(iii) Successful in the Additional Funding Plan;

(iv) Successful in the negotiation with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in any breach of loan covenants or default, including those with cross-default terms; and

(v) Successful in obtaining of additional new sources of financing as and when needed.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS(s)")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendment to IFRS 16	Impact of Covid-19-Related Rent Concessions

Except as described below, the application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and other amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on application of Amendments to IFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

New and revised IFRS in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 17	Insurance Contracts[1],
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendment to IFRS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to IFRS	Annual improvement to IFRSs 2018-2020 cycle[2]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendment to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[5]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]

[1] Effective for annual periods beginning on or after 1 January 2023.

[2] Effective for annual periods beginning on or after 1 January 2022.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after 1 January 2021.

[5] Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of these new and revised IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE FROM CONTINUING OPERATIONS

Disaggregation of revenue from contracts with customers

During the year ended 30 June 2021, the Group is mainly engaged in the production and sale of FCOJ and other related products and Summi Fresh Orange Juice and other products and details of which are as follows:

	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers from Continuing Operations		
Types of goods		
— Sale of FCOJ and other related products	**6,191**	15,685
— Sale of Summi Fresh Orange Juice and other products	**104,977**	35,308
Total	**111,168**	50,993
Timing of revenue recognition:		
— A point in time	**111,168**	50,993

For the year ended 30 June 2021

	FCOJ and other related products *RMB'000*	Summi Fresh Orange Juice and other products *RMB'000*	Total *RMB'000*
Revenue from contracts with customers from Continuing Operations			
Types of goods			
— FCOJ	**6,191**	**—**	**6,191**
— Summi Fresh Orange Juice	**—**	**18,116**	**18,116**
— Summi brand products	**—**	**57,909**	**57,909**
— Other products	**—**	**28,952**	**28,952**
Total	**6,191**	**104,977**	**111,168**
Geographical markets			
— South East Asia	**—**	**86,861**	**86,861**
— Mainland China	**6,191**	**17,215**	**23,406**
— Hong Kong	**—**	**901**	**901**
	6,191	**104,977**	**111,168**
Timing of revenue recognition:			
— A point in time	**6,191**	**104,977**	**111,168**
Sales channel/type of customer:			
— Food and beverages manufacturers	**6,191**	**—**	**6,191**
— Wholesale and distributors	**—**	**86,861**	**86,861**
— Retail	**—**	**17,748**	**17,748**
— Restaurants	**—**	**368**	**368**
	6,191	**104,977**	**111,168**

For the year ended 30 June 2020

	FCOJ and other related products *RMB'000*	Summi Fresh Orange Juice and other products *RMB'000*	Total *RMB'000*
Revenue from contracts with customers from Continuing Operations			
Types of goods			
— FCOJ	15,685	—	15,685
— Summi Fresh Orange Juice	—	7,800	7,800
— Other products	—	27,508	27,508
Total	15,685	35,308	50,993
Geographical markets			
— South East Asia	—	27,508	27,508
— Mainland China	15,685	6,669	22,354
— Hong Kong	—	1,131	1,131
	15,685	35,308	50,993
Timing of revenue recognition:			
— A point in time	15,685	35,308	50,993
Sales channel/type of customer:			
— Food and beverages manufacturers	15,685	—	15,685
— Wholesale and distributors	—	31,290	31,290
— Retail	—	4,018	4,018
	15,685	35,308	50,993

Sale of FCOJ and other related products

The Group sells FCOJ and other related products to the food and beverages manufacturers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location.

Sale of Summi Fresh Orange Juice and other products

The Group sells Summi Fresh Orange Juice and other products to the (i) wholesale and distributors; (ii) retail; and (iii) restaurants.

For sales of Summi Fresh Orange Juice and other products to the wholesale and distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers' specific location. Following the delivery, the wholesaler and distributors have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of Summi Fresh Orange Juice and other products to the retail and restaurants, revenue is recognised when the goods have been delivered to the customers and the control of the goods has been transferred, being at the point the customer purchases the goods.

All revenue contracts are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OPERATING SEGMENTS FROM CONTINUING OPERATIONS

The Group determines its operating segments based on the information reported to the chief operating decision maker, being the senior executive management of the Group, for making strategic decisions and assessing the performance of each operating segment. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies. No operating segment identified by the chief operating decision maker has been aggregated in arriving at the reportable segments of the Group.

As explained in notes 1 and 2(i), the Group previously divided the business into three segments: (1) Plantation and Sale of Agricultural Produce Business segment; (2) Production and Sale of FCOJ and Other Related Products Business segment; and (3) Product and Sale of Summi Fresh Orange Juice Business and Other Products segment. In prior years, the Company decided to cease and terminate its Plantation and Sale of Agricultural Produce Business segment and thus such business segment was classified as Discontinued Operation and their net results since then were excluded from the Continuing Operations as one-line item below net loss of the Continuing Operations. Further details of financial information of the Discontinued Operation are set out in note 11. Subsequently, the Group continues to be engaged in the Continuing Operations, comprising Production and Sale of FCOJ and Other Related Products Business and Product and Sale of Summi Fresh Orange Juice and Other Products Business.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segments are as follows:

Segment revenue and results

	Production and Sale of FCOJ and Other Related Products Business *RMB'000*	Production and Sale of Summi Fresh Orange Juice and Other Products Business *RMB'000*	Total *RMB'000*
For the year ended 30 June 2021			
Segment revenue			
Continuing Operations			
— Sales to external customers	**6,191**	**104,977**	**111,168**
— Inter-segment sales	**1,208**	**4,085**	**5,293**
Segment revenue	**7,399**	**109,062**	**116,461**
Elimination			**(5,293)**
Consolidated revenue from Continuing Operations			**111,168**
Segment results	**17,608**	**(38,004)**	**(20,396)**
Unallocated losses			**(381)**
Changes in fair values			**13,676**
Corporate and other unallocated expenses			**(10,926)**
Finance costs			**(30,491)**
Loss before tax from Continuing Operations			**(48,518)**

	Production and Sale of FCOJ and Other Related Products Business *RMB'000*	Production and Sale of Summi Fresh Orange Juice and Other Products Business *RMB'000*	Total *RMB'000*
For the year ended 30 June 2020			
Segment revenue			
Continuing Operations			
— Sales to external customers	15,685	35,308	50,993
— Inter-segment sales	3,519	2,937	6,456
Segment revenue	19,204	38,245	57,449
Elimination			(6,456)
Consolidated revenue from Continuing Operations			50,993
Segment results	(5,725)	(19,876)	(25,601)
Unallocated gains			190
Gain from loan settlement agreement			372,125
Changes in fair values			18,621
Corporate and other unallocated expenses			(3,898)
Finance costs			(46,020)
Profit before tax from Continuing Operations			315,417

Segment assets and liabilities

	Production and Sale of FCOJ and Other Related Products Business *RMB'000*	Production and Sale of Summi Fresh Orange Juice and Other Products Business *RMB'000*	Total *RMB'000*
As at 30 June 2021			
Assets and liabilities			
Segment assets	**70,845**	**83,096**	**153,941**
Corporate and other unallocated assets			**23,343**
Total assets			**177,284**
Segment liabilities	**5,791**	**1,575**	**7,366**
Corporate and other unallocated liabilities			**406,661**
Total liabilities			**414,027**

	Production and Sale of FCOJ and Other Related Products Business *RMB'000*	Production and Sale of Summi Fresh Orange Juice and Other Products Business *RMB'000*	Total *RMB'000*
As at 30 June 2020			
Assets and liabilities			
Segment assets	84,820	97,583	182,403
Corporate and other unallocated assets			7,943
Total assets			190,346
Segment liabilities	6,096	7,507	13,603
Corporate and other unallocated liabilities			507,650
Total liabilities			521,253

The accounting policies of the operating segments are identical to the Group's accounting policies. Segment results represent the profit earned by (loss from) each segment without allocation of certain central administration costs, director's remuneration, certain other income, changes in fair values, gain from loan settlement agreement and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

For the purposes of monitoring segment performances and allocating resources between segments:

(a) all assets are allocated to operating segments other than cash and cash equivalents, certain property, plant and equipment and other receivables which were managed in a centralised manner.

(b) all liabilities are allocated to operating segments other than corporate bonds, convertible bonds, certain lease liabilities, borrowings, derivative financial instruments, income tax payable, deferred tax liabilities and certain other payables which were managed in a centralised manner.

Inter-segment sales are charged at prevailing market rates.

Other segment information from Continuing Operations

	Production and Sale of FCOJ and Other Related Products Business	**Production and Sale of Summi Fresh Orange Juice and Other Products Business**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
For the year ended 30 June 2021				
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation	**7,658**	**12,125**	**74**	**19,857**
Additions to non-current assets	**29**	**329**	**22**	**380**
(Reversal of) impairment losses recognised in respect of				
— Property, plant and equipment	**(2,600)**	**(3,500)**	**—**	**(6,100)**
— Inventories	**2,675**	**5,403**	**—**	**8,078**
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss assets:				
Bank interest income	**—**	**—**	**49**	**49**
Gains on disposals of property, plant and equipment	**4**	**20**	**—**	**24**
Finance costs	**—**	**—**	**30,491**	**30,491**

	Production and Sale of FCOJ and Other Related Products Business	Production and Sale of Summi Fresh Orange Juice and Other Products Business	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 30 June 2020				
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation	11,354	12,042	155	23,551
Additions to non-current assets	6,058	1,215	11	7,284
Write-off of				
— Inventories	2,258	—	—	2,258
(Reversal of) Impairment losses recognised in respect of				
— Property, plant and equipment	(1,682)	(111)	—	(1,793)
— Trade receivables	—	(817)	—	(817)
— Inventories	(8,867)	2,994	—	(5,873)
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss assets:				
Bank interest income	—	—	213	213
Changes in fair values	—	—	18,621	18,621
Gain from loan settlement agreement	—	—	372,125	372,125
Finance costs	—	—	46,020	46,020

Geographical information

The Group's operations are located in the People's Republic of China (the "PRC"), Hong Kong and South East Asia.

Information about the Group's revenue from Continuing Operations from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets and details are as follows.

	2021	2020
	RMB'000	*RMB'000*
Revenue arising from Continuing Operations:		
Mainland China	**901**	22,354
Hong Kong	**23,406**	1,131
South East Asia	**86,861**	27,508
	111,168	50,993

	2021	2020
	RMB'000	*RMB'000*
Non-current assets from Continuing Operations		
Mainland China and South East Asia	**145,421**	159,038
Hong Kong	**296**	236
	145,717	159,274

Revenue from major products from Continuing Operations

The following is an analysis of the Group's revenue from sales of its major products to external customers:

	2021	2020
	RMB'000	*RMB'000*
Sale of FCOJ and other related products	**76,025**	15,685
Sale of Summi fresh orange juice and other products	**35,143**	35,308
	111,168	50,993

Information about major customers from Continuing Operations

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2021	2020
	RMB'000	*RMB'000*
Customer A[1]	**57,909**	—
Customer B[2 and 3]	**15,821**	—
Customer C[3 and 4]	**14,834**	—
Customer D[4]	**12,464**	18,092
Customer E[3 and 5]	**—**	13,709
Customer F[1 and 5]	**—**	6,604

1 Revenue from Production and Sale of Summi Fresh Orange Juice and Other Products Business segment.

2 Revenue from Production and Sale of Summi Fresh Orange Juice and Other Products Business segment. The customer is controlled and beneficially owned by a director of the Group.

3 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4 Revenue from Production and Sale of Summi Fresh Orange Juice and Other Products Business segment. The Customers are controlled by and beneficially owned by a director of a subsidiary of the Company.

5 Revenue from Production and Sale of FCOJ and Other Related Products Business segment.

6. OTHER INCOME FROM CONTINUING OPERATIONS

	2021	2020
	RMB'000	*RMB'000*
Bank interest income	**49**	213
Government grants		
— PRC (notes (i) and (iii) below)	**2,396**	5,230
— Hong Kong (notes (ii) and (iii) below)	**146**	—
Gain on disposals of property, plant and equipment	**24**	—
Others	**1,179**	581
	3,794	6,024

Notes:

(i) Out of which, an amount of RMB1,180,000 represented deferred income that was amortised during the year ended 30 June 2020, which was granted in respect of supporting the Group's investment in a FCOJ production plant. In view of the deferred income was fully amortised in prior years and thus, nil amount was credited to profit or loss for the year ended 30 June 2021.

(ii) During the current year, the Group recognised government grants of RMB146,000 in respect of Covid-19-related subsidies, of which RMB115,000 relates to Employment Support Scheme and RMB31,000 relates to Distance Business Programme provided by the Hong Kong Government.

(iii) During the year ended 30 June 2021, government grant of approximately RMB2,542,000 (2020: RMB4,050,000, excluding the amortisation of deferred income of RMB1,180,000) was immediately recognised as other income for the year as there was no unfulfilled condition or contingencies relating to this subsidy.

7. GAIN FROM THE LOAN SETTLEMENT AGREEMENT

	2021	2020
	RMB'000	*RMB'000*
Gain from the loan settlement agreement	**—**	372,125

On 9 December 2019, the Company entered into a loan settlement agreement (the "Loan Settlement Agreement") with certain banks (the "Loan Settlement Banks") and pursuant to which, the Loan Settlements Banks agreed to waive partial of their respective amounts of outstanding liabilities payable by the Company to the settlement balances (the "Loans Waiver"). Pursuant to the Loan Settlement Agreement, the amounts to be repaid by the Company to the Loan Settlement Banks will be approximately US$20.49 million and the related loan settlement expenses. Upon full settlement, the Loan Settlement Banks agreed to discharge all of the Company's obligations and indebtedness in relation to their respective parts of outstanding liabilities and the total remaining outstanding amounts of the Group's related bank borrowing of approximately USD73 million. Accordingly, a gain relating to the Loan Settlement Agreement of RMB372,125,000 was recognised during the year ended 30 June 2020, being calculated as follows:

	RMB'000
Outstanding liabilities pursuant to the Loan Settlement Agreement:	
— Outstanding principal amount	482,348
— Accrued interest expenses	33,998
Total outstanding liabilities balances pursuant to the Loans Waiver	516,346
Loan settlement expenses	2,147
Total balances pursuant to the Loans Waiver	518,493
Cash payment to the Loan Settlement Banks	(146,368)
Liabilities discharged pursuant to the Loans Waiver	372,125

Details of the above are set out in Company's announcement dated 9 December 2019.

The Group did not have any gain from loan settlement agreement during the year ended 30 June 2021.

8. FINANCE COSTS FROM CONTINUING OPERATIONS

	2021	2020
	RMB'000	*RMB'000*
Interest expenses on corporate bonds	**14,406**	6,475
Interest expenses on Convertible Bonds	**3,767**	2,905
Interest expenses on bank and other loans	**11,478**	34,293
Imputed interest expenses	**788**	2,340
Interest on lease liabilities	**52**	7
	30,491	46,020

9. LOSS (PROFIT) BEFORE TAX FROM CONTINUING OPERATIONS

Loss (profit) before tax from Continuing Operations has been arrived at after charging (crediting):

	2021	2020
	RMB'000	*RMB'000*
Changes in fair values in respect of:		
— Corporate bonds	**—**	4,068
— Derivative financial instruments of the Warrants	**8,897**	307
— Derivative component of the Convertible Bonds	**4,779**	11,406
— Debt component of the Convertible Bonds	**—**	2,840
Total changes in fair values	**13,676**	18,621
Staff costs, including Directors' and chief executive's remuneration		
— Wages, salaries and other benefits	**8,968**	11,886
— Performance related bonuses	**—**	—
— Contributions to defined contribution plans	**689**	602
— Redundancy costs (note below)	**—**	586
	9,657	13,074
Reversal of impairment losses in respect of:		
— Property, plant and equipment	**6,100**	1,793
— Trade receivables	**—**	817
Total reversal of impairment losses	**6,100**	2,610
Cost of inventories recognised as an expense, including:	**106,937**	43,266
— (Reversal of) impairment losses recognised in respect of inventories	**8,078**	(5,873)
— Write-off of inventories	**—**	2,258
Depreciation on:		
— Property, plant and equipment	**19,098**	22,803
— Right-of-use assets	**759**	748
Total depreciation	**19,857**	23,551

	2021	2020
	RMB'000	*RMB'000*
Others:		
Auditor's remuneration	**1,280**	902
Net foreign exchange losses	**468**	239
Short-term leases expenses	**320**	17

Note: The Directors reviewed the operation and businesses of the Group and owning to human resources optimisation, staff redundancy cost of RMB586,000 was incurred during the year ended 30 June 2020. The Group did not have such staff redundancy costs during the year ended 30 June 2021.

10. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

	2021	2020
	RMB'000	*RMB'000*
Income tax expense	**—**	—

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI for both years.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision has been made for Hong Kong Profits Tax as there are no assessable profits generated for both years.

The provision for PRC EIT is based on the respective applicable rates on the estimated assessable profit of the Company's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC for both years.

The applicable income tax rate for the rest of the Group's operating subsidiaries in the PRC is 25% for both years.

No provision has been made for PRC EIT as there are no assessable profits generated for both years.

Income tax for the Group's Malaysia operations is calculated at the rate of 24% on the estimated assessable profit derived from Malaysia for both years.

No provision has been made for Malaysia income tax as there are no assessable profits generated for both years.

The income tax for the year can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021	2020
	RMB'000	*RMB'000*
(Loss) profit before tax from Continuing Operations	**(48,518)**	315,417
Tax at the domestic income tax rate	**(10,030)**	48,766
Tax effect of non-deductible expenses	**6,070**	6,083
Tax effect of non-taxable income	**(2,274)**	(64,524)
Tax effect of tax losses not recognised	**6,234**	9,675
Income tax expense from Continuing Operations	**—**	—

11. DISCONTINUED OPERATION FROM PLANTATION AND SALE OF AGRICULTURAL PRODUCT BUSINESS

As described in note 2(i), during the year ended 30 June 2019, the management of the Company decided to cease and discontinue the Plantation and Sale of Agricultural Produce Business segment through Chongqing Bangxing.

The loss for the period from 1 July 2019 to the Date of Deregistration (i.e. the Relevant Period) attributable to the Discontinued Operation in respect of the Plantation and Sale of Agricultural Produce Business segment was set out as below.

	1 July 2019 to the Date of Deregistration
	RMB'000
Loss for the period from Discontinued Operation	(1)

The results of the Discontinued Operation for the period from 1 July 2019 to the Date of Deregistration, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	1 July 2019 to the Date of Deregistration *RMB'000*
Revenue	—
Loss from changes in fair value of biological assets less costs to sell	—
Administrative expenses	(1)
Impairment loss in respect of lease prepayments for orange plantations	—
Loss before tax	(1)
Income tax expense	—
Loss for the period from Discontinued Operation	(1)

Loss for the period from Discontinued Operation include the following:

	1 July 2019 to the Date of Deregistration *RMB'000*
Staff costs, including Directors' and chief executive's remuneration	
— Wages, salaries and other benefits	—
— Contributions to defined contribution plans	—
	—
Others:	
Auditor's remuneration	—
Impairment loss in respect of lease payments for orange plantations	—
Loss from changes in fair value of biological assets less costs to sell	—

The cash flow of the Discontinued Operation for the period from 1 July 2019 to the Date of Deregistration, which have been included in the consolidated statement of cash flow, were as follows:

	1 July 2019 to the Date of Deregistration *RMB'000*
Net cash outflows from operating activities	(1)
Net cash outflows from investing activities	—
Net cash (outflows) inflows from financing activities	(20)
Net cash outflows	(21)

Subsequent to the deregistration of Chongqing Bangxing on 4 November 2019, the Chongqing Bangxing did not have any significant outstanding assets and liabilities.

During the Relevant Period, all of the Chongqing Bangxing's revenue, expenses, assets and liabilities are derived from external customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical information was disclosed.

As explained in note 2(i), because of the loss of certain accounting records and documents of Chongqing Bangxing and the fact that the Group was unable to contact certain former key personnel and management of the Group who were previously responsible to the operations and businesses of Chongqing Bangxing, the Directors consider that the historical information of Chongqing Bangxing may not be complete and sufficient to establish an accurate and reliable view of the historical transactions, trading and financial position of Chongqing Bangxing. Accordingly, the Directors believe that, as at the date of this report, it is almost impossible, and not practical, to ascertain the transactions during the Relevant Period of Chongqing Bangxing, such as the transactions with the local communities of plantations, the payments made to the local communities of plantations and the cultivation costs incurred in respect of the biological assets etc. during the Relevant Period for inclusion in the consolidation financial statements of the Group for the year ended 30 June 2020.

12. DIVIDENDS

	2021 ***RMB'000***	2020 *RMB'000*
Dividends recognised as distribution and paid during the year	**—**	—

The Directors do not recommend the payment of any dividend for the years ended 30 June 2021 and 30 June 2020.

13. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2021	2020
	RMB'000	*RMB'000*
(Loss) earnings per share from continuing and discontinued operations		
(Loss) profit for the year from continuing and discontinued operations attributable to the owners of the Company	**(48,360)**	315,417
Less: Loss for the year from Discontinued Operations	**—**	(1)
(Loss) earnings for the purpose of basic earnings per share from Continuing Operations	**(48,360)**	315,416
Effect of dilutive potential ordinary shares:		
— Interest on Convertible Bonds	**—**	2,905
(Loss) earnings for the purpose of diluted earnings per share from Continuing Operations	**(48,360)**	318,321

	2021	2020
	Number of shares	Number of shares
	(thousands of shares)	
Weighted average number of ordinary shares in issue less shares held under the share option and share award scheme for the purpose of basic (loss) earnings per share	**1,708,243**	1,347,861
Effect of dilutive potential ordinary shares:		
— Deemed issue of shares under the Company's share option scheme for nil consideration	**—**	—
— Warrants	**—**	—
— Convertible Bonds	**—**	134,070
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**1,708,243**	1,481,931

The computation of diluted (loss) earnings per share for the years ended 30 June 2020 does not assume the exercise of the Company's Warrants and share because the exercise price of those Warrants and share options were higher than the average market price for shares.

As there is no outstanding Warrants, share options and Convertible Bonds as at 30 June 2021, no diluted loss per share was presented for the year ended 30 June 2021.

From Continuing Operations

The calculation of the basic and diluted (loss) earnings per share from Continuing Operations attributable to the owners of the Company is based on the following data:

	2021 *RMB'000*	2020 *RMB'000*
(Loss) earnings per share from Continuing Operations		
(Loss) profit for the year from continuing and discontinued operations attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(48,360)**	315,417
Less: Loss for the year from Discontinued Operation	**—**	(1)
(Loss) profit for the year from Continuing Operations attributable to the owners of the Company for the purpose of basic and diluted loss per share	**(48,360)**	315,416

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From Discontinued Operation

Basic and diluted loss per share for the Discontinued Operation is insignificant for year end 30 June 2020, based on the loss for the year from the Discontinued Operation of RMB1,000 (2021: nil).

The denominators used are the same as those detailed above for both basic and diluted loss per share.

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables	**2,587**	2,629
Less: Allowance for credit losses	**—**	—
	2,587	2,629
Other receivables	**618**	3,006
Less: Allowance for credit losses	**—**	—
	618	3,006
Others		
— Security deposit	**8,228**	—
— Tender deposit	**8,325**	—
— Rental deposits	**—**	—
— Deposit related to claim from a former employee	**828**	912
— Other deposits	**743**	267
— Prepayments	**809**	1,593
	18,933	2,772
Less: Allowance for credit losses	**—**	—
	18,933	2,772
Total trade and other receivables	**22,138**	8,407

Notes:

(i) Trade receivables

Included in trade receivables of RMB1,821,800 (2020: RMB1,821,800) was amount due from a related company which held by Mr. Wu Liantao ("Mr. Wu"), a director of the Company.

In respect of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Therefore, the Directors of the Company consider that the Group's credit risk is minimised and ECL allowance is considered insignificant. The Group generally granted credit period on sales ranging from 30 days to 120 days to its customers.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the invoice dates, which approximates to the respective revenue recognition dates, at the end of the reporting period.

	2021	2020
	RMB'000	*RMB'000*
0 to 30 days	**173**	17
31 to 60 days	**70**	131
61 to 90 days	**245**	257
Over 90 days	**2,099**	2,224
	2,587	2,629

The Group did not hold any collateral over the trade receivables.

Movements in the allowance for credit losses for trade receivables are as follows:

	2021	2020
	RMB'000	*RMB'000*
As at 1 July	**—**	732
Reversal of impairment losses recognised	**—**	(817)
Exchange adjustments	**—**	85
As at 30 June	**—**	—

For the year ended 30 June 2021 and 2020, the management of the Group have assessed the ECL of all trade receivables as insignificant and therefore it did not result in an impairment allowance for the that year. During the year ended 30 June 2020, impairment losses of RMB817,000 was reversed.

15. TRADE AND OTHER PAYABLES

	2021	2020
	RMB'000	*RMB'000*
Trade payables	**2,149**	6,850
Payables for acquisition of property, plant and equipment	**141**	3,546
Accrued sales commission	**3,596**	4,006
Other tax payables	**9,842**	7,947
Accrued staff costs	**1,027**	963
Interest payables	**17,209**	11,354
Amount due to a director (note below)	**12,733**	42,625
Other payables and accruals	**6,105**	6,817
	52,802	84,108

Note: The amount due to Mr. Wu Shaohao, the director of the Company is unsecured, interest-free and repayable on demand.

The following is an aged analysis of accounts payable presented based on the invoice dates.

	2021	2020
	RMB'000	*RMB'000*
0–90 days	**633**	678
Over 365 days	**1,516**	6,172
	2,149	6,850

The Group had financial risk management policies in place to ensure all payables are settled within the credit timeframe. The credit period on purchase of goods is ranging from 90 to 150 days (2020: 90 to 150 days).

16. BORROWINGS

	2021	2020
	RMB'000	*RMB'000*
Bank borrowings		
— Syndication Loan	**98,008**	—
— Loan from the Bank	**15,309**	16,866
— PRC bank loans	**45,950**	21,320
— Others	**—**	132,821
Other borrowings		
— Individual	**33,400**	36,400
— A director of a subsidiary	**66,791**	66,791
	259,458	274,198
The carrying amount of borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable on:		
Within one year or on demand	**202,167**	171,007
Within a period of more than one year but not exceeding two years	**19,091**	—
Within a period of more than two years but not exceeding five years	**38,200**	103,191
	259,458	274,198
The carrying amount of borrowings that become immediately due and payable due to breach of loan covenants and was shown under current liabilities	**(113,317)**	(132,821)
	146,141	141,377
Less: Amounts due within one year shown under current liabilities	**(88,850)**	(38,186)
Amounts shown under non-current liabilities	**57,291**	103,191

17. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital	
		HK$'000	*RMB'000*
Ordinary shares of HK$0.01 each			
Authorised			
As at 1 July 2019, 30 June 2020 and 30 June 2021	3,000,000,000	30,000	26,376
Issued and fully paid			
As at 1 July 2019, 30 June 2020	1,347,860,727	13,479	11,610
Issue of shares upon exercise of Warrants	269,500,000	2,695	2,230
Issue of shares upon conversion of Convertible Bonds	395,721,925	3,957	3,275
Issue of shares	269,000,000	2,690	2,226
As at 30 June 2021	2,282,082,652	22,821	19,341

On 22 March 2021, the Company entered into certain subscription agreements (the "Subscription Agreements") with seven individual subscribers, each of them is an independent third party and is independent with each other (collectively the "Subscribers" and each is a "Subscriber"), in respect of the subscription of an aggregate of 269,000,000 subscription shares at the subscription price of HKS0.12 per share representing a discount of approximately 18.37% and 17.24% to the closing market price of the Company's ordinary shares on 22 March 2021 and 14 April 2021, (the "Subscription"). The issue of the subscription shares was issued under the General Mandate granted to the Directors at the Annual General Meeting of the Company held on 27 November 2020. The net proceeds paid by the Subscribers under the Subscription Agreements amounted to approximately RMB26,713,000 were utilised as general working capital of the Group. Details of the above are set out in the Company's announcement dated 23 March 2021, 14 April 2021 and 30 April 2021.

The new shares rank pari passu with other shares in issue in all respects.

Other than the above, there were no movements of the share capital of the Company for the years ended 30 June 2020 and 2021.

18. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to the lenders to secure the credit facilities granted to the Group:

	2021	2020
	RMB'000	*RMB'000*
Property, plant and equipment	**50,108**	54,333
Right-of-use assets	**6,943**	7,124
	57,051	61,457

Save as the pledged assets disclosed above, the issued shares of certain subsidiaries of the Company were also pledged to secure borrowings of the Group as at 30 June 2021.

19. EVENTS AFTER THE REPORTING PERIOD

Other than those disclosed elsewhere in these consolidated financial statements, the Group had the following significant event after the reporting period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the "Shareholders") and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted the principles and all relevant code provisions as set out under the Corporate Governance Code (the "CG code") contained in Appendix 14 to the Listing Rules.

To the best of the knowledge of the Board, the Company has complied with the CG code during the Reporting Period. The Board will periodically review on the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Specific enquiry has been made to all the Directors and all the Directors have confirmed that they had fully complied with the Model Code and the Company's code of conduct during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee currently consists of 3 independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information, review and supervise the Company's financial reporting process, risk management system and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee's authority and duties and is available on the website of the Stock Exchange and the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of this announcement and the final result of the Group for the year ended 30 June 2021.

SCOPE OF WORK OF YONGTUO FUSON CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2021 as set out in this announcement have been agreed by the Group's auditors, Yongtuo Fuson CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Yongtuo Fuson CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Yongtuo Fuson CPA Limited on this announcement.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the consolidated financial statements of the Group for the year ended 30 June 2021.

"Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significant of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

(1) Comparative figures for the year ended 30 June 2020

Our audit opinion on the consolidated financial statements of the Group for the year ended 30 June 2020, which form the basis for the corresponding figures for the year ended 30 June 2020 presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit regarding insufficient audit evidence in respect of transactions during the period from 1 July 2019 to Date of Deregistration (as defined in note 2(i) to the consolidated financial statements) of 重慶邦興果業有限公司 (Chongqing Bangxing Fruit Co., Ltd., "Chongqing Bangxing", a former wholly-owned subsidiary of the Company which was previously mainly engaged in the Group's previous Plantation and Sale of Agricultural Produce Business segment (as described in notes 1 and 2(i) to the consolidated financial statements)), impairment losses recognised in respect of the lease prepayments for orange plantations and loss from changes in fair value less cost to sell in respect of the biological assets of Chongqing Bangxing for the year ended 30 June 2020, and non-compliance with International Financial Report Standards ("IFRS(s)") and omission of disclosures thereof.

As the deregistration of Chongqing Bangxing was completed during the year ended 30 June 2020, any adjustments found to be necessary in respect of above mentioned matters might have significant effects on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflows for the year ended 30 June 2020, our audit opinion on the current year's consolidated financial statements is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures. Details of our disclaimer opinion were set out in our independent auditor's reports in respect of the years ended 30 June 2020 and 30 June 2019 which were included in the Company's annual reports for the year ended 30 June 2020 and 30 June 2019 dated 28 September 2020 and 30 September 2019, respectively.

The matters of the above mentioned scope limitations no longer have any effect on the current figures in the consolidated financial statements for the year ended 30 June 2021.

However, the comparative figures for the year ended 30 June 2020 presented in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows may contain material misstatements and hence may not be comparable with the figures for the current year.

(2) Multiple uncertainties relating to going concern

As described in note 2(ii) to the consolidated financial statements, during the year ended 30 June 2021, the Group reported a loss of RMB48,518,000, and as at 30 June 2021, the Group had net current liabilities of RMB263,134,000 and a deficit of shareholders' equity attributable to owners of the Company of RMB236,585,000. Further, as at 30 June 2021, the Group's borrowings, including borrowings and corporate bonds were RMB359,155,000. Out of which, as at 30 June 2021, an amount of the Group's borrowings RMB241,736,000 will fall due repayable within one year.

A bank (the "Bank") issued demand letters dated 15 April 2019 and 3 July 2020 and a Writ of Summons indorsed with a Statement of Claim dated 14 July 2020 to the Group relating to a loan granted to the Group. As at 30 June 2021, the outstanding loan balance and accrued interest due to the Bank were RMB15,309,000 and RMB3,036,000, respectively. The Directors are still negotiating with the Bank to restructure the loan and the accrued interest.

During the year, the Group's borrowings with an aggregate amount of RMB113,317,000 was overdue and/or in breaching the clauses of the respective agreements with the lenders and thus, such incidents may cause the relevant borrowings to become immediately due and payable should the lenders exercise their rights under the respective agreements.

In addition, such overdue and/or in breaching of the clauses of the respective agreements also triggered the cross-default terms of the Group's corporate bonds of RMB39,569,000 as at 30 June 2021, which may also cause these borrowings to become immediately due and payable should the lenders exercise their rights under the respective agreements.

These conditions, together with other matters described in note 2(ii) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Directors have been undertaking a number of measures to improve the Group's liquidity and financial position, and to remediate certain delayed repayments to financial institutions, which are set out in note 2(ii) to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including:

(i) Successful in the finalisation of the Financing Reorganisation (as defined in note 2(ii) to the consolidated financial statements) with the lenders and creditors;

(ii) Successful in the Business and Operation Restructuring Plan (as defined in note 2(ii) to the consolidated financial statements);

(iii) Successful in the Additional Funding Plan (as defined in note 2(ii) to the consolidated financial statements);

(iv) Successful in the negotiation with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in any breach of loan covenants or default, including those with cross-default terms; and

(v) Successful in obtaining of additional new sources of financing as and when needed.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify noncurrent assets and noncurrent liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements."

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 30 June 2021 (2020: nil).

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 10 December 2021. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched by the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' eligibility to attend and vote at the forthcoming Annual General Meeting to be held on 10 December 2021 (Friday), the register of members of the Company will be closed from 7 December 2021 (Tuesday) to 10 December 2021 (Friday), both days inclusive, during which period no transfer of Shares will be registered. The record date will be 10 December 2021 (Friday). In order to qualify for attending and voting at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Share Registrar, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong no later than 4:30 p.m. on 6 December 2021 (Monday).

PUBLICATION OF 2021 FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hksummi.com). The annual report of the Company for the year containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the same websites in due course.

By Order of the Board
Summi (Group) Holdings Limited
Lee Kwok Lun
Company Secretary

Hong Kong, 27 September 2021

As at the date of this announcement, the Board comprises: Mr. WU Shaohao and Mr. WU Liantao as executive Directors; Mr. CHEN Ying, Mr. MA Chi Kin and Mr. KYAW Sai Hong as independent non-executive Directors.