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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)

INSIDE INFORMATION

This announcement is issued by Summi (Group) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 16 April 2019, 3 May 2019 and 26 June 2019 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Company had been unable to access to the orange plantation and the Company has decided to terminate the orange plantation business in June 2019.

The Group has taken measures in order to control the orange plantation, such as visiting the orange plantation and communicating and negotiating with the local communities of plantations. However, the Group could not reach an agreement with the local communities of plantations.

In accordance with International Accounting Standard 36 “Impairment of assets”, the Company has identified there is an indication that the relevant assets related to the orange plantation have been impaired. In view of that, the Company has carried out an impairment review on the relevant assets relating to the orange plantation, including the (i) prepaid leases of orange plantation; and (ii) biological assets. Based on the current circumstances and the legal opinion, the orange plantation will no longer generate economic benefits to the Group.

Based on the unaudited consolidated management accounts for the year ended 30 June 2019, the total carrying amounts of the relevant assets relating to the orange plantation amounted to approximately RMB1,930 million (before impairment provision). As a result of the cessation of operation of the orange plantation, the Board currently estimates that a provision for impairment of assets amounted to RMB1,930 million will be made in the Group's unaudited consolidated management accounts for the year ended 30 June 2019. As such, the results of the Group for the year and the Group's financial position as at 30 June 2019 are expected to be adversely affected. After the aforesaid impairment provision, the Company expects that the Group will have a net liabilities of approximately RMB345.9 million and the operating segment of plantation and sale of agricultural product will be discontinued.

As at the date of the announcement, the Company has sought legal advice as to the enforceability of the contracts on the orange plantation. The Company has appointed FTI Consulting (Hong Kong) Limited to investigate the matters related to the orange plantation.

Notwithstanding the termination of the Group's plantation in Chongqing, the Group's operations of production and sales of frozen concentrate orange juice, Summi fresh orange juice and related products have been conducted as usual. The Company will provide a more detailed update as and when appropriate.

The information contained in this announcement is only based on a preliminary assessment by the Board on the Group's unaudited consolidated management accounts for the year ended 30 June 2019, which are subject to adjustments and finalisation and have not been reviewed or audited by the Company's auditors.

Shareholders and potential investors must exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 July 2019

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.