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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)**

**CONNECTED TRANSACTIONS IN RELATION TO  
(I) PROPOSED ISSUANCE OF BONDS;  
(II) PROPOSED ISSUANCE OF CONVERTIBLE BONDS  
UNDER CB SPECIFIC MANDATE;  
AND  
(III) PROPOSED ISSUANCE OF UNLISTED WARRANTS  
UNDER WARRANT SPECIFIC MANDATE**

**THE SUBSCRIPTION AGREEMENT AND THE WARRANT SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that, on 31 July 2019 (after trading hours), the Company entered into (i) the Subscription Agreement with the Controlling Shareholder; and (ii) the Warrant Subscription Agreement with the Individual in relation to the subscription of the Bonds, the Convertible Bonds and the Warrants.

**The proposed issuance of Bonds**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Controlling Shareholder has conditionally agreed to subscribe for, the Bonds in the principal amount of HK\$106.0 million for a term of three (3) years.

### **The proposed issuance of Convertible Bonds**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Controlling Shareholder has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$74.0 million for a term of three (3) years. The Convertible Bonds may be converted into 395,721,925 Conversion Shares at the Conversion Price of HK\$0.187 per Conversion Share upon full conversion, representing approximately 29.4% of the issued share capital of the Company as at the date of this announcement and approximately 19.7% of the issued share capital of the Company as enlarged by the Conversion Shares and the Warrant Shares.

### **The proposed issuance of unlisted Warrants**

Pursuant to the Subscription Agreement and Warrant Subscription Agreement, the Company shall conditionally grant the Controlling Shareholder and the Individual 148,715,040 and 120,784,960 Warrants respectively, at the Warrant Subscription Price of HK\$0.04 per Warrant. Each Warrant shall entitle the holder(s) of the Warrants to subscribe for one (1) Warrant Share at the Warrant Exercise Price of HK\$0.157 (subject to adjustments). The subscription right(s) of the Warrant Share(s) will be exercisable at any time during the period of one (1) year commencing from the date of issuance of the Warrants. Subject to adjustments, the maximum number of Warrant Shares to be issued is 269,500,000 Shares, representing approximately 20.0% of the issued share capital of the Company as at the date of this announcement and approximately 13.4% of the issued share capital of the Company as enlarged by the Conversion Shares and the Warrant Shares.

### **IMPLICATIONS UNDER THE LISTING RULES**

Rui Er Holdings Company Limited, being the controlling shareholder of the Company, is a connected person of the Company. As such, the Subscription Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 15.02(1) of Listing Rules, the Warrant Shares to be issued on exercising of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, the Company does not have any securities with subscription rights outstanding and not yet exercised. Assuming full exercising of the subscription rights attaching to the Warrants, the maximum number of Warrant Shares to be issued is 269,500,000 Shares, representing approximately 20.0% of the issued share capital of the Company as at the date of this announcement and approximately 13.4% of the issued share capital of the Company as enlarged by the Conversion Shares and the Warrant Shares. Accordingly, the issue of Warrants is in compliance with Rule 15.02(1).

## **GENERAL**

The issuance of the Conversion Shares upon conversion of the Convertible Bonds and the Warrant Shares upon exercising of the subscription rights attaching to the Warrants will be subject to Independent Shareholder's approval at the EGM.

The Conversion Shares and the Warrant Shares will be issued and allotted under the Specific Mandates to be sought for approval from the Independent Shareholders at the EGM.

No listing of the Convertible Bonds and the Warrants will be sought on the Stock Exchange or any other stock exchanges. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Warrant Shares.

## **EGM**

The EGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder, including but not limited to, (i) the issuance of the Bonds; (ii) the issuance of the Convertible Bonds; (iii) the issuance of the Warrants; and (iv) the Specific Mandates for the issuance and allotment of the Conversion Shares and the Warrant Shares.

The Controlling Shareholder, Mr. Wu (being the sole owner of the Controlling Shareholder) and their associates will abstain from voting at the EGM. Save as aforesaid, to the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Subscription Agreement and the Warrant Subscription Agreement, and no other Shareholders will be required to abstain from voting on the resolutions(s) to approve the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, amongst other things, (i) further details relating to the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**Completions of the issuance of the Bonds, the Convertible Bonds and the Warrants are conditional upon the fulfilment of the conditions set out under the paragraphs headed “The Subscription Agreement — Conditions precedent” and “The Warrant Subscription Agreement — Conditions precedent” in this announcement, which may or may not be fulfilled. Accordingly, the aforementioned completions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.**

## INTRODUCTION

Reference is made to the Company’s announcements dated 5 November 2018 and 6 December 2018.

As disclosed in the Company’s announcements dated 5 November 2018 and 6 December 2018, the Company received (i) a letter from the Bank Lenders in relation to the demand of immediate repayment of the Loan Facility; and (ii) a verbal demand made by the representative(s) of the Bank Creditors to request for the repayment of Bank Loans. Since then, the Company has been actively exploring options of financing methods to fulfil its repayment obligations.

Considering the outstanding liability arising from the Loan Facility and Bank Loans, and the need of working capital of the Company in the coming months, on 31 July 2019, (i) the Company and the Controlling Shareholder entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Controlling Shareholder has conditionally agreed to subscribe, the Bonds, the Convertible Bonds and the Rui Er Warrants; and (ii) the Company and the Individual entered into the Warrant Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Individual has conditionally agreed to subscribe the Individual Warrants. The Subscription Completion and the Warrant Completion are inter-conditional.

## **THE SUBSCRIPTION AGREEMENT**

Date : 31 July 2019 (after trading hours)

Parties : (i) the Company, as the issuer; and  
(ii) the Controlling Shareholder, as the subscriber

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Controlling Shareholder has conditionally agreed to subscribe for, (i) the Bonds at the principal amount of HK\$106.0 million; (ii) the Convertible Bonds at the principal amount of HK\$74.0 million; and (iii) 148,715,040 Rui Er Warrants at the Warrant Subscription Price of HK\$0.04 per Rui Er Warrant.

The aggregate consideration payable by the Controlling Shareholder shall be HK\$186.0 million, among which, a refundable deposit of HK\$16.4 million for the subscription of Bonds shall be paid within three (3) days upon entering into of the Subscription Agreement; and the remaining balance of HK\$169.6 million for the subscription of Bonds, the Convertible Bonds and the Rui Er Warrants shall be paid upon the Subscription Completion.

The aggregate consideration was determined after arm's length negotiations between the Company and the Controlling Shareholder with reference to (i) financial performance and financial positions of the Group; and (ii) reasons and benefits of the as set out in the section headed "Use of proceeds and reasons for and benefits of the Proposed Fund Raising" below.

## Principal terms of the Bonds

The principal terms of the Bonds are summarised as follows:

- Principal amount : HK\$106.0 million
- Maturity date : On the third (3<sup>rd</sup>) anniversary of the Bond Issue Date
- Interest rate : 2.28% per annum on outstanding amounts, equivalent to the 3-month HIBOR quoted on the date of the Subscription Agreement, payable quarterly in arrears.
- Form and denomination : The Bonds are issued in registered form in denominations of HK\$1,000,000 and integral multiples thereof.
- Status : The obligations of the Company arising under the Bonds constitute, general unsecured and unsubordinated obligations of the Company and rank, and shall rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, except for obligations accorded preference by mandatory provisions of applicable law.
- Transferability : The Bonds are not transferable.
- Redemption : *Redemption on Bonds Maturity Date*

Upon redemption on the Bonds Maturity Date, the Company shall redeem the Bonds at the redemption amount of 100% of the principal amount of the then outstanding Bonds plus the relevant accrued and unpaid interest.

### *Event of Default*

Upon the occurrence of an Event of Default, the Controlling Shareholder may at any time from the Bond Issue Date and prior to the Bonds Maturity Date, by giving not less than 10 Business Days prior notice to the Company, request the Company to redeem the whole or part only of the Bonds at the redemption amount which is 100% of the principal amount of the Bonds being redeemed plus the relevant interest accrued and unpaid.

### *Early redemption*

The Company may, at any time from the Bond Issue Date and prior to the Bonds Maturity Date, by giving not less than 10 Business Days prior notice to the Controlling Shareholder, redeem the whole or part only of the Bonds at 100% of the principal amount of the Bonds being redeemed together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Controlling Shareholder.

Voting rights : The Bonds shall not confer on the holder of the Bonds any right to receive notices of, attend or vote at any meeting of the Company.

### **Principal terms of the Convertible Bonds**

The principal terms of the Convertible Bonds are summarised as follows:

Principal amount : HK\$74.0 million

Conversion Price : HK\$0.187 per Conversion Share, subject to adjustments arising from events such as share consolidation and subdivision, capitalisation issue, capital distribution, rights issue and issue of Shares or securities convertible into Shares at more than 20% discount to the market price.

Number of Conversion Shares to be issued : 395,721,925 Conversion Shares upon full conversion, representing:

- (i) approximately 29.4% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 22.7% of the issued share capital of the Company as enlarged by the issuance and allotment of the Conversion Shares upon full conversion of the Convertible Bonds (assuming there being no other changes in the issued share capital of the Company); and

(iii) approximately 19.7% of the issued share capital of the Company as enlarged by the issuance and allotment of the Conversion Shares and the Warrant Shares upon full conversion of the Convertible Bonds and full exercising of the subscription rights attaching to the Warrants (assuming there being no other changes in the issued share capital of the Company).

- Maturity date : On the third (3<sup>rd</sup>) anniversary of the CB Issue Date
- Interest rate : 2.28% per annum on outstanding amounts, equivalent to the 3-month HIBOR quoted on the date of the Subscription Agreement, payable quarterly in arrears
- Default interests : If the Company defaults in the payment of any sum due and payable under the Convertible Bonds, the Company shall pay interest to the accruing from the due date to date of actual payment in full calculated at 16% per annum accrued on a daily basis.
- Form and denomination : The Convertible Bonds are issued in registered form in denominations of HK\$1,000,000 and integral multiples thereof.
- Status : The obligations of the Company arising under the Convertible Bonds constitute, general unsecured and unsubordinated obligations of the Company and rank, and shall rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, except for obligations accorded preference by mandatory provisions of applicable law.
- Transferability : The Convertible Bonds are not transferable.
- Conversion period : The Controlling Shareholder shall have the right to convert the whole or part of the outstanding principal amount of Convertible Bonds into Shares on any Business Day during the period commencing from the CB Issue Date and ending on the CB Maturity Date.

Redemption : *Redemption on CB Maturity Date*

Upon redemption on the CB Maturity Date, the Company shall redeem the Convertible Bonds at the redemption amount of 100% of the principal amount of the then outstanding Convertible Bonds plus the relevant accrued and unpaid interest.

*Event of Default*

Upon the occurrence of an Event of Default, the Controlling Shareholder may at any time from the CB Issue Date and prior to the CB Maturity Date, by giving not less than 10 Business Days prior notice to the Company, request the Company to redeem the whole or part only of the Convertible Bonds at the redemption amount which is 100% of the principal amount of the Convertible Bonds being redeemed plus the relevant interest accrued and unpaid.

*Early redemption*

The Company may, at any time from the CB Issue Date and prior to the CB Maturity Date, by giving not less than 10 Business Days prior notice to the Controlling Shareholder, redeem the whole or part only of the Convertible Bonds at 100% of the principal amount of the Convertible Bonds being redeemed together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Controlling Shareholder.

Voting rights : The Convertible Bonds shall not confer on the holder of the Convertible Bonds any right to receive notices of, attend or vote at any meeting of the Company.

Application for listing : No application for the listing of the Convertible Bonds will be sought from the Stock Exchange or any other stock exchange.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## **Conversion Price**

The Conversion Price of HK\$0.187 represents:

- (i) a premium of approximately 16.9% over the closing price of HK\$0.160 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 18.4% over the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 14.7% over the average closing price of HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Conversion Price was determined after arm's length negotiations between the Company and the Controlling Shareholder with reference to the Group's existing financial position, the historical Share price, liquidity of the Shares in the market, the current market sentiment and the reasons and benefits as set out in the section headed "Use of proceeds and reasons for and benefits of the Proposed Fund Raising" below. Accordingly, the Directors (excluding the independent non-executive Director) considers that the terms of the Convertible Bonds are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

## **Principal terms of the Rui Er Warrants**

The principal terms of the Rui Er Warrants are summarised as follows:

Number of Warrants to be issued	:	148,715,040 Rui Er Warrants
Warrant Subscription Price	:	HK\$0.04 per Rui Er Warrant
Subscription rights	:	Each Rui Er Warrant shall entitle the holder(s) of the Rui Er Warrant(s) to subscribe for one (1) Rui Er Warrant Share at the Warrant Exercise Price (subject to adjustments) on any Business Day during the Warrant Exercise Period.
Warrant Exercise Period	:	The period of one (1) year commencing from the Warrant Issue Date
Warrant Exercise Price	:	HK\$0.157 per Warrant Share (subject to adjustments)

Number of Warrant Shares to be issued : 148,715,040 Rui Er Warrants Shares (subject to adjustments) upon full exercising of the subscription rights attaching to the Rui Er Warrants, representing:

- (i) approximately 11.0% of the existing issued share capital of the Company as at the date of this announcement;
- (ii) approximately 9.9% of the issued share capital of the Company as enlarged by the issuance and allotment of the Rui Er Warrant Shares upon full exercising of the subscription rights attaching to the Rui Er Warrants (assuming there being no other changes in the issued share capital of the Company); and
- (iii) approximately 7.4% of the issued share capital of the Company as enlarged by the issuance and allotment of the Warrant Shares and Conversion Shares upon full exercising of the subscription rights attaching to the Warrants and full conversion of the Convertible Bonds (assuming there being no other changes in the issued share capital of the Company).

Form and denomination : The Rui Er Warrants are issued in registered form in denominations of HK\$1,000,000 and integral multiples thereof.

Status of the Rui Er Warrants : The obligations of the Company arising under the Rui Er Warrants constitute, general unsecured and unsubordinated obligations of the Company and rank, and shall rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, except for obligations accorded preference by mandatory provisions of applicable law.

Rights of the Rui Er Warrants : The Rui Er Warrants shall not confer on the holder(s) of the Rui Er Warrants any right to receive notices of, attend or vote at any meeting of the Company.

The holder(s) of the Rui Er Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

- Rights of the Rui Er Warrant Shares: : The Rui Er Warrant Shares that fall to be issued upon exercising of the subscription rights attaching to the Rui Er Warrants will rank *pari passu* in all respects with the Shares in issue on the relevant date of registration of the name of the relevant holder(s) of the Rui Er Warrants on the register of members of the Company as holder of such Rui Er Warrant Shares.
- Rights on liquidation : If the Company is wound up before the Subscription Long Stop Date, all subscription rights which have not been exercised prior to the commencement of the winding-up shall lapse and the Controlling Shareholders Warrants will cease to be valid for the purpose of exercising any subscription right.
- Transferability : The Rui Er Warrants may be transferred or assigned in whole or in integral multiples of 1,000,000 Rui Er Warrants to any person subject to the Listing Rules for so long as the Shares are listed on the Stock Exchange, provided that the Rui Er Warrants (or any part(s) thereof) shall not be transferred or assigned to a connected person (as defined under the Listing Rules) of the Company without prior written consent of the Company.
- Application for listing : No listing of the Rui Er Warrants will be sought on the Stock Exchange or any other stock exchanges.
- Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rui Er Warrant Shares.

### **Warrant Subscription Price**

The Warrant Subscription Price is HK\$0.04 per Rui Er Warrant. The Rui Er Warrants will be issued to the Controlling Shareholder at the consideration of HK\$6.0 million. The net issue price, after deduction of relevant expenses, is approximately HK\$0.0361 per Rui Er Warrant.

### **Warrant Exercise Price**

The Warrant Exercise Price is HK\$0.157 per Rui Er Warrant Share, represents:

- (i) a discount of approximately 1.9% to the closing price of HK\$0.160 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 0.6% to the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and

- (iii) a discount of approximately 3.7% to the average closing price of HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Warrant Exercise Price will be paid to the Company upon exercising of the Rui Er Warrants.

The aggregate of the Warrant Subscription Price and the Warrant Exercise Price, i.e. HK\$0.197, represents:

- (i) a premium of approximately 23.1% over the closing price of HK\$0.160 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 24.7% over the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 20.9% over the average closing price of HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Warrant Exercise Price and the aggregation of it with the Warrant Subscription Price were determined after arm's length negotiations between the Company and the Controlling Shareholder with reference to the Group's existing financial position, the historical Share price, liquidity of the Shares in the market, the current market sentiment, and the reasons and benefits as set out in the section headed "Use of proceeds and reasons for and benefits of the Proposed Fund Raising" below. Accordingly, the Directors (excluding the independent non-executive Directors) consider that the terms of the Rui Er Warrants are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

### **Conditions precedent**

The Subscription Completion shall be conditional upon the fulfilment of the following conditions:

- (i) the Company having obtained approvals from the Stock Exchange for the issuance of the Bonds, the Convertible Bonds and the Rui Er Warrants;
- (ii) the Company having obtained approvals from the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Rui Er Warrant Shares which fall to be issued and allotted upon exercising of the subscription rights attached to the Convertible Bonds and the Rui Er Warrants respectively;
- (iii) all requisite resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder having been passed by the Independent Shareholders at the EGM;

- (iv) all necessary consents and approvals on the part of the Controlling Shareholder and the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (v) there having been no action, proceedings, suit, public investigation or public enquiry taken, instituted, enacted, made or publicly proposed by any relevant authority in any jurisdiction, and there having been no outstanding statute, regulation, demand or order that would make the transactions contemplated under the Subscription Agreement void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect of such transactions;
- (vi) the Controlling Shareholder and its counsel and professional advisers having conducted legal, business and financial due diligence investigations against the Group, the results of which shall be satisfactory to the Controlling Shareholder in its sole and absolute discretion;
- (vii) the entering into of formal agreement(s) in relation to a Finance Reorganisation; and
- (viii) the completion of the Warrant Subscription Agreement and the transactions contemplated thereunder.

Conditions precedent (iv) to (viii) as set out above may be waived in writing by the Controlling Shareholder at its sole and absolute discretion. Save as aforesaid, none of the conditions precedent above is waivable. If any of the conditions precedent set out above are not fulfilled or waived at or before 3:00 p.m. (Hong Kong time) on the Subscription Long Stop Date, the Subscription Agreement shall lapse.

As at the date of this announcement, none of the above conditions precedent have been fulfilled.

### **Subscription Completion**

The Company shall issue the Bonds, the Convertible Bonds and the Rui Er Warrants free and clear from all Encumbrances to the Controlling Shareholder, and the Controlling Shareholder shall subscribe for the Bonds, the Convertible Bonds and the Rui Er Warrants free and clear from all Encumbrances, at the principal amount of the Bonds, the principal amount of the Convertible Bonds and Warrant Subscription Price respectively, on or before the fifth (5<sup>th</sup>) Business Days following the date on which the conditions precedent to the Subscription Agreement are fulfilled.

The Subscription Completion and the Warrant Completion are inter-conditional.

## THE WARRANT SUBSCRIPTION AGREEMENT

Date : 31 July 2019 (after trading hours)

Parties : (i) the Company, as the issuer; and  
(ii) Ms. Hu, as the subscriber

To the best information, belief and knowledge of the Directors, having made all reasonable enquiries, save as being an employee of the Company, Ms. Hu is an independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

### Principal terms of the Individual Warrants

The principal terms of the Individual Warrants are summarised as follows:

Number of Warrants to be issued : 120,784,960 Individual Warrants

Warrant Subscription Price : HK\$0.04 per Individual Warrant

Subscription rights : Each Individual Warrant shall entitle the holder(s) of the Individual Warrant(s) to subscribe for one (1) Individual Warrant Share at the Warrant Exercise Price (subject to adjustments) on any Business Day during the Warrant Exercise Period.

Warrant Exercise Period : The period of one (1) year commencing from the Warrant Issue Date

Warrant Exercise Price : HK\$0.157 per Individual Warrant Share (subject to adjustments)

Number of Warrants Shares to be issued : 120,784,960 Individual Warrants Shares (subject to adjustments) upon full exercising of the subscription rights attaching to the Individual Warrants, representing:

- (i) approximately 9.0% of the existing issued share capital of the Company as at the date of this announcement;
- (ii) approximately 8.2% of the issued share capital of the Company as enlarged by the issuance and allotment of the Individual Warrant Shares upon full exercising of the subscription rights attaching to the Individual Warrants (assuming there being no other changes in the issued share capital of the Company); and
- (iii) approximately 6.0% of the issued share capital of the Company as enlarged by the issuance and allotment of the Warrant Shares and Conversion Shares upon full exercising of the subscription rights attaching to the Warrants and full conversion of the Convertible Bonds (assuming there being no other changes in the issued share capital of the Company).

Form and denomination : The Individual Warrants are issued in registered form in denominations of HK\$1,000,000 and integral multiples thereof.

Status of the Individual Warrants : The obligations of the Company arising under the Individual Warrants constitute, general unsecured and unsubordinated obligations of the Company and rank, and shall rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, except for obligations accorded preference by mandatory provisions of applicable law.

Rights of the Individual Warrants : The Individual Warrants shall not confer on the holder(s) of the Individual Warrants any right to receive notices of, attend or vote at any meeting of the Company.

The holder(s) of the Individual Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

- Rights of the Individual Warrant Shares : The Individual Warrant Shares that fall to be issued upon exercising of the subscription rights attaching to the Individual Warrants will rank *pari passu* in all respects with the Shares in issue on the relevant date of registration of the name of the relevant holder(s) of the Individual Warrants on the register of members of the Company as holder of such Individual Warrant Shares.
- Rights on liquidation : If the Company is wound up before the Warrant Long Stop Date, all subscription rights which have not been exercised prior to the commencement of the winding-up shall lapse and the Individual Warrants will cease to be valid for the purpose of exercising any subscription right.
- Transferability : The Individual Warrants may be transferred or assigned in whole or in integral multiples of 1,000,000 Individual Warrants to any person subject to the Listing Rules for so long as the Shares are listed on the Stock Exchange, provided that the Individual Warrants (or any part(s) thereof) shall not be transferred or assigned to a connected person (as defined under the Listing Rules) of the Company without prior written consent of the Company.
- Application for listing : No listing of the Individual Warrants will be sought on the Stock Exchange or any other stock exchanges.
- Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Individual Warrant Shares.

### **Warrant Subscription Price**

The Warrant Subscription Price is HK\$0.04 per Individual Warrant. The Individual Warrants will be issued to the Individual at the consideration of HK\$4.8 million. The net issue price, after deduction of relevant expenses, is approximately HK\$0.0361 per Individual Warrant.

### **Warrant Exercise Price**

The Warrant Exercise Price is HK\$0.157 per Individual Warrant Share, represents:

- (i) a discount of approximately 1.9% to the closing price of HK\$0.160 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 0.6% to the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 3.7% to the average closing price of HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Warrant Exercise Price will be paid to the Company upon exercising of the Individual Warrants.

The aggregate of the Warrant Subscription Price and the Warrant Exercise Price, i.e. HK\$0.197, represents:

- (i) a premium of approximately 23.1% over the closing price of HK\$0.160 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 24.7% over the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 20.9% over the average closing price of HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Warrant Exercise Price and the aggregation of it with the Warrant Subscription Price were determined after arm's length negotiations between the Company and the Individual with reference to the Group's existing financial position, the historical Share price, liquidity of the Shares in the market, the number of Individual Warrant Shares and the current market sentiment. Accordingly, the Directors (excluding the independent non-executive Directors) consider that the terms of the Individual Warrants are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

The aggregate consideration was determined after arm's length negotiations between the Company and the Individual with reference to (i) financial performance and financial positions of the Group; and (ii) reasons and benefits of the as set out in the section headed "Use of proceeds and reasons for and benefits of the Proposed Fund Raising" below.

## Conditions precedent

The Warrant Completion shall be conditional upon the fulfilment of the following conditions:

- (i) the Stock Exchange shall have approved the issuance of the Individual Warrants, either unconditionally or subject to conditions to which neither the Company nor the Individual shall reasonably object and the satisfaction of such conditions;
- (ii) the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Individual shall reasonably object) the listing of, and permission to deal in, the Individual Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Individual Warrants;
- (iii) the Shareholders shall have passed the requisite resolution(s) at the EGM approving the Warrant Subscription Agreement and the transactions contemplated thereunder;
- (iv) all necessary consents and approvals to be obtained on the part of the Individual and the Company in respect of the Warrant Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (v) no relevant authority in any jurisdiction having taken or instituted any action, proceedings, suit, public investigation or public enquiry, or enacted or made or publicly proposed, and there is no outstanding statute, regulation, demand or order that would make the transactions contemplated under the Warrant Subscription Agreement void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect of such transactions;
- (vi) the Individual and its counsel and professional advisers having conducted legal, business and financial due diligence investigations against the Group, the results of which shall be satisfactory to the Individual in its sole and absolute discretion;
- (vii) the entering into of formal agreement(s) in relation to a Finance Reorganisation; and
- (viii) the completion of transactions contemplated under the Subscription Agreement.

Conditions precedent (iv) to (viii) as set out above may be waived in writing by the Individual at its sole and absolute discretion at any time. If any of the conditions precedent set out above are not fulfilled or waived at or before 3:00 p.m. (Hong Kong time) on the Warrant Long Stop Date, the Warrant Subscription Agreement shall lapse.

As at the date of this announcement, none of the above conditions precedent have been fulfilled.

## **Warrant Completion**

The Company shall issue the Individual Warrants free and clear from all Encumbrances to the Individual, and the Individual shall subscribe for the Individual Warrants free and clear from all Encumbrances, at the Warrant Subscription Price on or before the fifth (5<sup>th</sup>) Business Days following the date on which the conditions precedent to the Warrant Subscription Agreement are fulfilled.

The Subscription Completion and the Warrant Completion are inter-conditional.

## **INFORMATION ON THE CONTROLLING SHAREHOLDER AND THE INDIVIDUAL**

### **Controlling Shareholder**

The Controlling Shareholder was incorporated in the British Virgin Islands with limited liability and is an investment holding company. It is wholly and beneficially owned by Mr. Wu, its sole director. As at the date of the announcement, the Controlling Shareholder owns 765,444,145 Shares, representing 56.79% of the issued share capital of the Company.

### **The Individual**

Ms. Hu is the deputy chief executive officer of the Company. She has been assisting Mr. Wu and actively participating in the negotiations in respect of a potential Finance Reorganisation. Ms. Hu is the executive vice president of Hong Kong Finance Investment Holding Group Limited (stock code: 0007.HK) (“HKFI”). She is also a responsible officer of Karl-Thomson Securities Company Limited, a wholly owned subsidiary of HKFI.

## **USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE PROPOSED FUND RAISING**

### **Reasons for the Proposed Fund Raising**

The Group is principally engaged in the production and sales of orange juice and related products.

The Group is currently facing severe financial condition. The Group reported in its latest interim report a consolidated net loss of RMB97.5 million for the six months ended 31 December 2018 as a result of the substantial reduction of revenue and delayed harvest of fresh oranges due to the Group’s operating restructuring in the PRC. Further, the Bank Lenders and Bank Creditors demanded for immediate repayment of the Loan Facility and Bank Loans amounting to HK\$675.4 million, which causes acute liquidity pressure to the Company. Yet, the Group’s cash and cash equivalent only amounted to RMB19.3 million as at 31 December 2018, which is insufficient to meet the Group’s capital needs.

To improve the Group's financial condition, the Board has been actively formulating fund raising plans and negotiating with its creditors. As at the date of this announcement, the Group's negotiation with its creditors is still on-going, and the Group has considered the outstanding liability arising from the Loan Facility and the Bank Loans, and the need of working capital of the Company. In view of such, the Group puts forward the Proposed Fund Raising with the support of the Controlling Shareholder.

Under the Proposed Fund Raising, the issuance of the Bonds and the Convertible Bonds provides the Group with definite amount of capital, while the issuance of the Warrants provide the Group with certain flexibility in raising additional funds with pre-determined terms. Meanwhile, the Company is aware of the Controlling Shareholder's support to the Company through (i) low interest rate (2.28% per annum) attached to the Bonds and the Convertible Bonds; (ii) the early redemption provisions in the Bonds and the Convertible Bonds that enable the Group to substitute the Bonds and the Convertible Bonds with alternative financing with better terms at the Group's discretion; and (iii) the subscription of the Bonds and the Convertible Bonds despite the Group's deteriorating financial conditions. In view of such, the Company considers that the issuance of Rui Er Warrants is a way to recognise his prompt and continuing support to the Group.

Apart from these, the issuance of Warrants serves as an incentive for the subscribers' continuing support to the Group. Since the Controlling Shareholder acquired its stake in the Company in late 2018, the Individual has been assisting the Company and the Controlling Shareholders in various matters including the operating restructuring in the PRC and actively participating in the negotiations of a potential Finance Reorganisation. The Directors consider that the Individual has demonstrated her support and commitment to the Company and her extensive knowledge and experience in the finance industry. The Directors consider that the Individual will continue to play a vital role in the Company, particularly in financing matters in the future and will help the Company to tide over the financial difficulties. In view of such, the Company consider the subscription of the Warrants by the Individual, which requires her to contribute over HK\$4.8 million as subscription monies upfront, is a measure that not only recognise her prompt support and contribution in alleviating the imminent financial stress of the Company, but also effectively align the Company's financial interests with the Individual.

## **Use of proceeds**

Upon the Subscription Completion and the Warrant Completion, and assuming full exercising of the subscription rights attaching to the Warrants, gross amount of HK\$233.1 million will be raised.

The Company intends to apply proceeds from the issuance of Bonds and the Convertible Bonds, which amount to HK\$180.0 million in aggregate, to repay, in part, the outstanding liability arising from the Loan Facility and the Bank Loans.

The Company intends to apply proceeds from the issuance of the Warrants, which amount to HK\$10.8 million in aggregate, to settle the outstanding interest payment owing to the other creditors.

Assuming full exercising of the subscription rights attaching to the Warrants, proceeds of HK\$42.3 million will be raised. Although it is the holders of the Warrants to decide when and whether to exercise the subscription rights attaching to the Warrants, the Controlling Shareholder, being the subscriber of the Rui Er Warrants, agrees to exercise such rights to provide funding to the Group as and when requested the Group. The Company intends to apply such proceeds to (i) repay finance costs to be incurred; (ii) fund its operating restructuring in the PRC; and (iii) the general working capital of the Company.

The Company believes that the aforementioned proceeds will enable to the Group to improve its financial condition, including through a potential Finance Reorganisation, which is in the best interest of the Company and the Shareholders as a whole.

## **Alternative financing plans considered**

In formulating the Proposed Fund Raising, the Directors have considered various financing alternative, including (i) new debt financing arrangement with financial institutions, (ii) placing of new debts and/or Shares and (iii) pre-emptive offerings.

The Company considered refinancing its debt with other financial institutions. Yet, given the loss-making positions and the indebtedness level of the Group and the increasingly difficult business environment, the Company was unable to identify any financial institutions that are willing to provide funding that are sufficient to refinancing the Group's current borrowings with terms comparable to those of the Bonds and the Convertible Bonds.

The Company also explored with independent agents on the possibility for (i) placing of Shares or debts with terms comparable to those of the Proposed Fund Raising or (ii) underwriting the Company's pre-emptive offerings. Yet, based on the Company's preliminary discussions with prospective financial intermediaries, the Company believes that it is unlikely to proceed with a placing of debts and/or Shares and pre-offerings before solving the Group's financial difficulties.

In view of the above, the Company considers that issuance of the Bonds and the Convertible Bonds has merits over the alternative financing plans, including (i) the Company can raise definite amount of capital without uncertainty arising from under-subscription; (ii) the Company can raise the capital needed within a relative short timeframe; and (iii) the issuance of the Bonds and the Convertible Bonds under current terms saves the Company associated costs, especially underwriting commissions when comparing with placing of new debts and/or Shares and pre-emptive offerings.

Further, the Company also note that the Bonds and the Convertible Bonds allow the Company to redeem the Bonds and the Convertible in whole or in part at the Company's discretion any time from the issue date to the maturity date. The Company is of the view that such provisions enable the Company to substitute the Bonds and the Convertible Bonds with alternative financing with better terms after the Group has solved its financial difficulties.

As such, the Company considers that raising funds by the issuance of Bonds and Convertible Bonds is more practicable in solving the imminent demand of the repayment amounts of the Company.

### **The Company's view on the Proposed Fund Raising**

Notwithstanding the dilution in shareholding to be caused by the conversion of Convertible Bonds and exercising of Warrants, having considered (i) the Company is under severe financial difficulties; (ii) the Conversion Price of HK\$0.187 and the aggregate of Warrant Subscription Price and the Warrant Exercise Price of the Warrants of HK\$0.197 represent premiums to the market price of Shares; and (iii) the implementation of the Proposed Fund Raising will enhance the Company's net asset value per Share, the Directors (except the independent non-executive Directors) are of the view that the proposed Fund Raising is in the interest of the Company and its Shareholders as a whole.

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

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

## SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has a total of 1,347,860,727 Shares in issue. For illustration purposes only and assuming that there will be no further changes in the issued share capital of the Company prior to such conversion of Convertible Bonds or exercising of Warrants and no adjustment to the Conversion Price and the Warrant Exercise Price, the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately upon conversion of the Convertible Bonds in full; and (iii) immediately upon conversion of the Convertible Bonds and exercising of the subscription rights attaching to the Warrants in full, are as follows:

	As at the date of this announcement		Immediately after the conversion of the Convertible Bonds in full		Immediately after the conversion of the Convertible Bonds and exercising the Warrants in full	
	No. of Shares (Shares)	Approximate percentage of total issued Shares (%)	No. of Shares (Shares)	Approximate percentage of total issued Shares (%)	No. of Shares (Shares)	Approximate percentage of total issued Shares (%)
<b>Substantial Shareholders</b>						
Mr. WU, Shaohao <sup>(Note 1)</sup>	765,444,145	56.8	1,161,166,070	66.6	1,309,881,110	65.1
The Individual CITIC Securities Company Limited <sup>(Note2)</sup>	—	—	—	—	120,784,960	6.0
Public Shareholders	68,915,200	5.1	68,915,200	3.9	68,915,200	3.4
	513,501,382	38.1	513,501,382	29.5	513,501,382	25.5
<b>Total</b>	<u>1,347,860,727</u>	<u>100.00</u>	<u>1,743,582,652</u>	<u>100.00</u>	<u>2,013,082,652</u>	<u>100.00</u>

### Notes:

1. Mr. Wu Shaohao, an executive Director, is deemed (by virtue of the SFO) to be interested in 765,444,145 Shares held by the Controlling Shareholder, which is owned as to 100% by him.
2. CITIC Securities Company Limited is deemed (by virtue of the SFO) to be interested in 68,915,200 Shares held by CSI Capital Management Limited, being its wholly-owned subsidiary.

## SPECIFIC MANDATES TO ISSUE THE CONVERSION SHARES AND THE WARRANT SHARES

The issuance of the Conversion Shares upon conversion of the Convertible Bonds and the Warrant Shares upon exercising of the subscription rights attaching to the Warrants will be subject to Independent Shareholder's approval at the EGM.

The Conversion Shares and the Warrant Shares will be issued and allotted under the Specific Mandates to be sought for approval from the Independent Shareholders at the EGM.

## **IMPLICATIONS UNDER THE LISTING RULES**

Rui Er Holdings Company Limited, being the controlling shareholder of the Company, is a connected person of the Company. As such, the Subscription Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 15.02(1) of Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, the Company does not have any securities with subscription rights outstanding and not yet exercised. Assuming full exercising of the subscription rights attaching to the Warrants, the maximum number of Warrant Shares to be issued is 269,500,000 Shares, representing approximately 20.0% of the issued share capital of the Company as at the date of this announcement and approximately 13.4% of the issued share capital of the Company as enlarged by the Conversion Shares and the Warrant Shares. Accordingly, the issue of Warrants is in compliance with Rule 15.02(1).

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee will be established to advise and give recommendations to the Independent Shareholders in relation to the Warrant Subscription Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **EGM**

The EGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder, including but not limited to, (i) the issuance of the Bonds; (ii) the issuance of the Convertible Bonds; (iii) the issuance of the Warrants; and (iv) the Specific Mandates for the issuance and allotment of the Conversion Shares and the Warrant Shares.

The Controlling Shareholder, Mr. Wu (being the sole owner of the Controlling Shareholder) and their associates will abstain from voting at the EGM. Save as aforesaid, to the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Subscription Agreement and the Warrant Subscription

Agreement, and no other Shareholders will be required to abstain from voting on the resolutions(s) to approve the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, amongst other things, (i) further details relating to the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**Completions of the issuance of the Bonds, the Convertible Bonds and the Warrants are conditional upon the fulfilment of the conditions set out under the paragraphs headed “The Subscription Agreement — Conditions precedent” and “The Warrant Subscription Agreement — Conditions precedent” in this announcement, which may or may not be fulfilled. Accordingly, the aforementioned completions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.**

## **THE CLARIFICATION**

Reference is made to the announcement dated 30 July 2019 containing the inside information of the Company related to the orange plantation.

The Board would like to clarify that in the third paragraph of the announcement “the Company had been unable to access to the oranges borne by the orange trees in the orange plantation”, but not “unable to access to the orange plantation”.

The above clarification does not affect other information contained in the announcement. Save as disclosed above, other information in the announcement shall remain unchanged.

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Bank Creditors”	collectively, Taishin International Bank Co Ltd, Hwatai Bank Limited, Cathay United Bank Company Limited, Hua Nan Commercial Bank Ltd, Luso International Banking Ltd, Banco Well Link S.A., and United Overseas Bank Ltd
“Bank Lender(s)”	collectively, Bank of China (Hong Kong) Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Nanyang Commercial Bank Limited and Industrial and Commercial Bank of China (Asia) Limited

“Bank Loans”	the outstanding amount in the sum of HK\$138.0 million under the loan agreements respectively entered into between the Bank Creditors and the Company
“Board”	the board of the Directors
“Bond(s)”	the 2.28% fixed coupon unlisted bond to be issued by the Company in an aggregate principal amount of HK\$106.0 million due on the third (3 <sup>rd</sup> ) anniversary of the date of issuance in accordance with the Bond Subscription Agreement
“Bond Issue Date”	the date of issuance of the Bonds pursuant to the Subscription Agreement
“Bonds Maturity date”	the third (3 <sup>rd</sup> ) anniversary of the Bond Issue Date
“Business Day(s)”	any day (excluding Saturday, Sunday and any other public holidays) on which banks in Hong Kong are generally open for business
“CB Issue Date”	the date of issuance of the Convertible Bonds pursuant to the Subscription Agreement
“CB Maturity date”	the third (3 <sup>rd</sup> ) anniversary of the CB Issue Date
“CB Specific Mandate”	the specific mandate for the issuance and allotment of up to a maximum of 395,721,925 Conversion Shares, which is subject to the approval by the Independent Shareholders at the EGM
“Company”	森美（集團）控股有限公司 Summi (Group) Holdings Limited, a company incorporated in Cayman Islands with limited liability, its Shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Rui Er Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability holding 765,444,145 Shares, representing 56.79% of the issued share capital of the Company as at the date of the announcement
“Conversion Period”	the period commencing from the CB Issue Date and ending on the CB Maturity Date
“Conversion Price”	the conversion price of HK\$0.187 per Conversion Share (subject to adjustment), the price at which a Share will be issued upon conversion of the Convertible Bond into Shares

“Conversion Share(s)”	the 395,721,925 new Shares which may fall to be issued and allotted upon the exercising of all the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the 2.28% fixed coupon convertible bond to be issued by the Company in an aggregate principal amount of HK\$74.0 million due on the third (3 <sup>rd</sup> ) anniversary of the date of issuance in accordance with the Subscription Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder, including but not limited to, (i) the issuance of the Convertible Bonds; (ii) the issuance of the Warrants; and (iii) the Specific Mandates for the issuance and allotment of the Conversion Shares and the Warrant Shares
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same
“Event(s) of Default”	event(s) of default set out under the Subscription Agreement, including but not limited to, breach of obligations under the Subscription Agreement, insolvency, winding-up, seizure, proceeding, withdrawal of listing and suspension of trading in the Shares for a consecutive period of more than 15 Business Days
“Finance Reorganisation”	the restructuring of the Company’s debts and liabilities
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Chen Ying, Mr. Ma Chi Kin and Mr. Kyaw Sai Hong, established to advise the Independent Shareholders as to the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than the Controlling Shareholder, Mr. Wu and their associates
“Individual” or “Ms. Hu”	Ms. Hu Mingyue, the deputy chief executive officer of the Company
“Individual Warrant(s)”	the total of 120,784,960 unlisted warrants to be issued by the Company to the Individual at the Warrant Subscription Price, each entitles the holder thereof initially to subscribe for Individual Warrant Shares at the Warrant Exercise Price (subject to adjustments) at any time during the Warrant Exercise Period
“Individual Warrant Share(s)”	the new Shares to be issued and allotted by the Company upon exercising of the subscription rights attaching to the Individual Warrants
“Last Trading Day”	31 July 2019, being the last trading day of the Shares prior to the entering into of the Subscription Agreement and the Warrant Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan Facility”	the loan facility under the facility agreement dated 8 August 2016 made between (amongst others) the Company (as borrower), Mr. Sin Ke (as personal guarantor), Bank of China (Hong Kong) Limited, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited as mandated lead arrangers, Nanyang Commercial Bank Limited and Industrial and Commercial Bank of China (Asia) Limited as senior lead arrangers, the financial institutions listed therein as the original lenders, and Bank of China (Hong Kong) Limited (as agent)
“Mr. Wu”	Mr. Wu Shaohao, executive Director of the Company and the sole owner of the Controlling Shareholder of the Company
“PRC”	People’s Republic of China
“Proposed Fund Raising”	the proposed fund raising by the issuance of Bonds, Convertible Bonds and Warrants under the Subscription Agreement and Warrant Agreement
“Rui Er Warrant(s)”	the total of 148,715,040 unlisted warrants to be issued by the Company to the Controlling Shareholder at the Warrant Subscription Price, each entitles the holder thereof initially to subscribe for Rui Er Warrant Shares at the Warrant Exercise Price (subject to adjustments) at any time during the Warrant Exercise Period
“Rui Er Warrant Share(s)”	the new Shares to be issued and allotted by the Company upon exercising of the subscription rights attaching to the Rui Er Warrants
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	issued ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandates”	collectively, the CB Specific Mandate and the Warrant Specific Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”	the subscription agreement dated 31 July 2019 entered into between the Company and the Controlling Shareholder in relation to the issuance of the Bonds, the issuance of the Convertible Bonds and the issuance of the Warrants under Warrant Specific Mandate
“Subscription Completion”	the completion of the issuance and subscription of the Bonds, the Convertible Bonds and the Rui Er Warrants in accordance with the Subscription Agreement
“Subscription Long Stop Date”	31 October 2019 or such later date as the Controlling Shareholder and the Company may agree in writing
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“trading day(s)”	the day(s) on which the Stock Exchange is open for business
“Warrant(s)”	collectively, the Rui Er Warrants and the Individual Warrants
“Warrant Completion”	the completion of the issuance and subscription of the Individual Warrants in accordance with the Warrant Subscription Agreement
“Warrant Exercise Period”	the period of one (1) year commencing from the Warrant Issue Date
“Warrant Exercise Price”	an initial exercise price of HK\$0.157 per Warrant Share at which the holder of the Warrants may subscribe for the Warrant Shares, which shall be subject to adjustments arising from events such as share consolidation and subdivision, capitalisation issue, capital distribution, rights issue and issue of Shares or securities convertible into Shares at more than 10% discount to the market price
“Warrant Long Stop Date”	31 October 2019 or such later date as the Individual and the Company may agree in writing
“Warrant Share(s)”	collectively, the Rui Er Warrant Shares and the Individual Warrant Shares

“Warrant Specific Mandate”	the specific mandate for the issuance and allotment of up to a maximum of 269,500,000 Warrant Shares, which is subject to the approval by the Independent Shareholders at the EGM
“Warrant Subscription Agreement”	the subscription agreement dated 31 July 2019 entered into between the Company and the Individual in relation to the issuance of the Warrants under Warrant Specific Mandate
“Warrant Subscription Price”	HK\$0.04, being the subscription price per Warrant
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 31 July 2019

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

*The exchange rates adopted in this announcement for illustration purpose only are US\$1 = HK\$7.80 and RMB1 = HK\$1.14. Such conversion should not be construed as a representation that the currency could actually be converted at that rate.*