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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)

**INTERIM RESULTS ANNOUNCEMENT
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

FINANCIAL HIGHLIGHTS			
	Six months ended		
	31 December 2022	31 December 2021	Change %
	RMB'000	RMB'000	(Approximate)
Statement of profit or loss and other comprehensive income			
Revenue	14,608	19,635	(25.6%)
Gross profit	1,126	2,096	(46.3%)
Gross profit margin	7.7%	10.7%	(3.0 pp)
Loss for the period	(16,079)	(32,731)	(50.9%)
Basic and diluted loss per share (RMB cents)	(0.83)	(1.4)	(40.7%)
	As at 31 December 2022	As at 30 June 2022	Change %
	RMB'000	RMB'000	(Approximate)
Statement of financial position			
Cash and cash equivalents	8,750	5,420	61.4%
Inventories	21,970	6,013	265.4%
Trade receivables	7,675	4,351	76.4%
Borrowings	163,496	183,264	(10.8%)
Net liabilities	(275,904)	(257,995)	(6.9%)

The board (the “Board”) of directors (the “Directors”) of Summi (Group) Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2022 (the “Reporting Period”). The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (the “IASB”), and have been reviewed by the audit committee of the Company.

BUSINESS REVIEW AND PROSPECT

For the Reporting Period, the Group recorded revenue of approximately RMB14,608,000 (2021: approximately RMB19,635,000), representing a decrease of approximately 25.6%. The decrease in revenue was mainly due to the decrease in sales in Malaysia. During the Reporting Period, the gross profit of the Group was approximately RMB1,126,000 (2021: approximately RMB2,096,000), representing a decrease of approximately RMB970,000 and the gross profit margin was approximately 7.7% (2021: approximately 10.7%).

The Company faced a difficult time for the Reporting Period. Amid the uncertain global economic outlook, the general business environment remains challenging in coming year. The Group has been maintaining “Summi” Fresh Orange Juice, “Be Juice” Fresh Juice series, “Kokonut” coconut water series and Summi low sugar juice series, and also developing a series of new products by leveraging the Group’s advantages in food and beverage industry to support the growth of revenue of the Group. Other than exploring the sales network of the Group, especially other than in Hong Kong, the Group has been striving for diversifying its product offering, developing new products such as Chinese bottled tea and zero sugar soda, which are still in development due to the impact of the COVID-19 and identifying new locations for setting up new plants in Hong Kong for the Company’s products.

OPERATING PERFORMANCE

Summi Products

During the Reporting Period, the Group has been continuously improving its sales network and developing new products in relation to Summi Products to leverage the advantages of “Summi” brand. In December 2020, the Group launched a new series of beverage products and marketing campaign has been planned for Hong Kong and China. The sales of the Group were impacted by COVID 19 epidemic among which sales revenue of Summi Products decreased by 23.7% from approximately RMB16,709,000 over the same period last year to approximately RMB12,756,000.

FCOJ and related products

Sales of frozen concentrated orange juice (the “FCOJ”) and related products decreased from approximately RMB2,926,000 over the same period last year to approximately RMB1,852,000 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. The decrease in sales of FCOJ and related products was attributable to the sluggish global economic conditions during the COVID 19 pandemic, which had a significant impact on the markets and the price competition from overseas suppliers had been intensified.

Gross Profit

During the Reporting Period, the Group’s gross profit was approximately RMB1,126,000, an approximate decrease of approximately 46.3% compared to approximately RMB2,096,000 over the same period last year. The Group’s gross profit margin decreased to approximately 7.7% (2021: approximately 10.7%).

Distribution costs and administrative expenses

The Group’s distribution costs mainly included marketing expenses and transportation costs. Distribution costs decreased by approximately 56.5% from approximately RMB4,618,000 over the same period last year to approximately RMB2,009,000 during the Reporting Period.

The Group’s administrative expenses mainly included general office administrative expenses, salaries, amortisation, etc. Administrative expenses decreased from approximately RMB19,763,000 over the last year to approximately RMB12,059,000 during the Reporting Period.

Finance costs

During the Reporting Period, the Group’s finance costs were approximately RMB5,225,000 (2021: approximately RMB12,586,000).

Net loss

During the Reporting Period, the Group’s net loss was approximately RMB16,079,000 (2021: approximately RMB32,731,000).

Interim dividend

The Board has resolved not to announce any interim dividend for the six months ended 31 December 2022 (2021: nil).

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Liquidity

As at 31 December 2022, current assets amounted to approximately RMB50,427,000 (30 June 2022: approximately RMB32,518,000); current liabilities amounted to approximately RMB387,529,000 (30 June 2022: approximately RMB343,454,000).

Financial Resources

As at 31 December 2022, the Group had cash and cash equivalents and pledged bank deposits of approximately RMB8,750,000 (30 June 2022: approximately RMB5,420,000) respectively, as well as total borrowings of approximately RMB163,496,000 (30 June 2022: approximately RMB183,264,000).

As at 31 December 2022, the Group's trade receivables amounted to approximately RMB7,675,000 (30 June 2022: approximately RMB4,351,000), and inventory amounted to approximately RMB21,970,000 (30 June 2022: approximately RMB6,013,000).

Gearing

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

	31 December 2022	30 June 2022
Quick ratio (x)	0.04	0.03
Current ratio (x)	0.13	0.09
Gearing ratio (<i>note</i>)	N/A	N/A

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

Capital Structure

As at 31 December 2022, the total number of issued shares of the Company (the "Shares") was 2,282,082,652 Shares. Details of the Company's share capital are set out in note 12 to the interim condensed consolidated financial statements.

FOREIGN EXCHANGE EXPOSURE

The Group is subject to foreign exchange risk of different currencies, primarily with respect to the United States Dollar. Foreign currency exposure arises out of future commercial activities, recognised assets and liabilities and net investment in overseas business. Furthermore, the exchange of Renminbi ("RMB") is subject to foreign exchange control regulations and laws of the government of PRC. The Group has established a set of foreign exchange exposure management policies, utilising forward contracts and multiple derivative tools to mitigate the related risks.

PLEDGE OF ASSETS

As at 31 December 2022 and 30 June 2022, the Group had pledged the following assets to the lenders to secure the credit facilities granted to the Group:

	31 December 2022 RMB'000 (Unaudited)	30 June 2022 RMB'000 (Audited)
Property, plant and equipment	28,956	31,775
Right-of-use assets	6,328	6,762
	<u>35,284</u>	<u>38,537</u>

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no material contingent liabilities (30 June 2022: nil).

CAPITAL EXPENDITURE

During the Reporting Period, the Group has no capital expenditure (six months ended 31 December 2021: RMB350,000) which was used for acquisition of property, plant and equipment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no further specific plan for material investments or capital assets as at 31 December 2022. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as and when appropriate.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2022, the Group had 120 employees (2021: 105 employees). The Group offers remuneration, discretionary bonuses and social insurance benefits to its employees. In addition, a share award scheme (the “Scheme”) has been adopted on 11 September 2015 for the employees of the Group. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. The Group also provides appropriate staff training and development, so as to enhance the Group’s sustainable development.

EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the Reporting Period.

The unaudited financial information for the six months ended 31 December 2022 together with the comparative figures for the corresponding periods in 2021 were as follows:

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Notes	Six months ended	
		2022	2021
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	14,608	19,635
Cost of sales		<u>(13,482)</u>	<u>(17,539)</u>
Gross profit		1,126	2,096
Gains on a loan settlement agreement		–	3,036
Other income	4	2,088	2,604
Impairment on property, plant and equipment		–	(3,500)
Selling and distribution costs		(2,009)	(4,618)
Administrative expenses		<u>(12,059)</u>	<u>(19,763)</u>
Loss from operations		(10,854)	(20,145)
Finance costs	5	<u>(5,225)</u>	<u>(12,586)</u>
Loss before tax		(16,079)	(32,731)
Income tax expense	7	<u>–</u>	<u>–</u>
Loss for the period	6	<u>(16,079)</u>	<u>(32,731)</u>
Loss per share	9		
– Basic and diluted (RMB cents)		<u>(0.83)</u>	<u>(1.4)</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		As at 31 December 2022 <i>RMB'000</i> (Unaudited)	As at 30 June 2022 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		83,900	91,901
Right-of-use assets		18,519	19,494
		<u>102,419</u>	<u>111,395</u>
CURRENT ASSETS			
Inventories		21,970	6,013
Trade and other receivables	<i>10</i>	19,707	21,085
Cash and cash equivalents		8,750	5,420
		<u>50,427</u>	<u>32,518</u>
CURRENT LIABILITIES			
Trade and other payables	<i>11</i>	141,589	100,847
Borrowings		163,496	160,205
Lease liabilities		1,021	979
Corporate bonds		81,423	81,423
		<u>387,529</u>	<u>343,454</u>
NET CURRENT LIABILITIES		<u>(337,102)</u>	<u>(310,936)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(234,683)</u>	<u>(199,541)</u>

		As at 31 December 2022 <i>RMB'000</i> (Unaudited)	As at 30 June 2022 <i>RMB'000</i> (Audited)
NON-CURRENT LIABILITIES			
Borrowings		–	23,059
Corporate bonds		41,135	35,279
Lease liabilities		86	116
		<u>41,221</u>	<u>58,454</u>
NET LIABILITIES		<u>(275,904)</u>	<u>(257,995)</u>
CAPITAL AND RESERVES			
Share capital	<i>12</i>	19,341	19,341
Reserves		(295,056)	(277,169)
Deficiency of shareholders' equity		(275,715)	(257,828)
Non-controlling interests		(189)	(167)
		<u>(275,904)</u>	<u>(257,995)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The Interim Financial Statements do not include all the information and disclosure required in the annual consolidated financial statements of the Company and its subsidiaries (the “Group”), and should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2022, which have been prepared in accordance with International Financial Reporting Standards (the “IFRSs”) issued by the IASB.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2022, except for the adoption of the new and revised IFRS. In the current period, the Group has adopted a number of new and revised IFRSs, amendments to IAS and Interpretations (“Ints”) (hereinafter collectively referred to as “new and revised IFRSs”) issued by the IASB that are relevant to the Group and effective for accounting periods beginning on or after 1 July 2021. The adoption of these new and revised IFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current and prior periods. The Group has not early adopted the new and revised IFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group’s results and financial position.

The preparation of the Interim Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The Interim Financial Statements should be read in conjunction with the Group’s audited consolidated financial statements and notes thereto for the year ended 30 June 2022.

3. REVENUE AND SEGMENT INFORMATION

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.

During the six months ended 31 December 2022, the Group’s reportable and continuing operating segments are as follows:

- Production and sale of FCOJ and other related products; and
- Production and sale of Summi Products

Segment revenues, results, assets and liabilities

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

For the six months ended 31 December 2022 (unaudited)

	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
Segment revenue			
– Sales to external customers	1,852	12,756	14,608
– Inter-segment sales	10,003	–	10,003
	<u>11,855</u>	<u>12,756</u>	<u>24,611</u>
Segment revenue			
	<u>11,855</u>	<u>12,756</u>	24,611
Elimination			<u>(10,003)</u>
Group revenue			<u>14,608</u>
Segment results	<u>(7,795)</u>	<u>180</u>	<u>(7,615)</u>
Unallocated gains			2,088
Corporate and other unallocated expenses			(5,327)
Finance costs			<u>(5,225)</u>
Loss before tax			<u>(16,079)</u>

For the six months ended 31 December 2021 (unaudited)

	Production and sale of FCOJ and other related products business <i>RMB'000</i>	Production and sale of Summi Fresh Orange Juice and other products business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (continuing operations)			
– Sales to external customers	2,926	16,709	19,635
– Inter-segment sales	9,256	–	9,256
	<u>12,182</u>	<u>16,709</u>	
Segment revenue			31,817
Elimination			<u>(9,256)</u>
Group revenue			<u>19,635</u>
Segment results	<u>(9,460)</u>	<u>(1,253)</u>	(10,713)
Unallocated gains			3,036
Corporate and other unallocated expenses			(12,468)
Finance costs			<u>(12,586)</u>
Loss before tax			<u><u>(32,731)</u></u>

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 and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates and conducted with terms mutually agreed by both contract parties.

4. OTHER INCOME

	For the six months ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	12	36
Government grants (<i>note i</i>)	2,074	1,872
Others	2	696
	<u>2,088</u>	<u>2,604</u>

Note:

- (i) All government grants received were on cash basis. The government grants were unconditional and recognised as other income immediately.

5. FINANCE COSTS

	For the six months ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– corporate bonds	1,410	1,328
– bank loans	3,803	11,247
– lease liabilities	12	11
	<u>5,225</u>	<u>12,586</u>

6. LOSS FOR THE PERIOD

	For the six months ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	8,298	12,953
Depreciation of right-of-use assets	510	528
Amount of inventories recognised as an expense	13,482	17,539
Exchange difference, net	21	37
	<u>22,311</u>	<u>31,057</u>

7. INCOME TAX EXPENSE

	For the six months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	–	–
Malaysia	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

Notes:

- (a) Pursuant to rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (b) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.
- (c) No Hong Kong Profits Tax has been provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both periods.
- (d) Income tax for the Group’s Malaysian operations is calculated at the rate of 24% on the estimated assessable profit derived from Malaysia for the period.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 31 December 2022 (six months ended 31 December 2021: nil).

9. LOSS PER SHARE

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Number of shares

	For the six months ended 31 December	
	2022 (Unaudited)	2021 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>2,282,082,652</u>	<u>2,282,082,652</u>

10. TRADE RECEIVABLES

The Group allowed a credit period ranging from 30 to 120 days (30 June 2022: 30 to 120 days) to its trade customers from the date of billing.

The following is an aged analysis of trade receivables based on the due dates at the end of the reporting period:

	31 December 2022 RMB'000 (Unaudited)	30 June 2022 RMB'000 (Audited)
Neither past due nor impaired	<u>7,675</u>	<u>4,351</u>

Trade receivables that were neither past due nor impaired related to customers that had no recent history of default payment.

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

11. TRADE PAYABLES

The Group had financial risk management policies in place to ensure all payables are settled within the credit timeframe. The average credit period on purchase of goods was 90 to 150 days (30 June 2022: 90 to 150 days).

The following is an aged analysis of trade payables presented based on the due date at the end of the reporting period.

	31 December 2022 RMB'000 (Unaudited)	30 June 2022 RMB'000 (Audited)
Due within 3 months or on demand	<u>1,892</u>	<u>2,541</u>

12. SHARE CAPITAL

	Number of shares	Share capital	
		<i>HK\$'000</i>	<i>RMB'000</i>
Ordinary shares of HK\$0.01 each			
Authorised:			
At 1 July 2020, 30 June 2021, 1 July 2021 and 31 December 2022	<u>3,000,000,000</u>	<u>30,000</u>	<u>26,376</u>
Issued and fully paid:			
At 1 July 2020, 30 June 2021 and 1 July 2022	<u>2,282,082,652</u>	<u>22,821</u>	<u>19,341</u>
At 31 December 2022	<u>2,282,082,652</u>	<u>22,821</u>	<u>19,341</u>

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.

SHARE AWARD SCHEME

On 11 September 2015, the Company adopted the Scheme under which the Board may, from time to time, award the Shares (the “Awarded Shares”) to selected participants (including, without limitation, any Directors) of the Company or of any subsidiary pursuant to the terms of the trust deed of the Share Award Scheme.

During the Reporting Period, no Awarded Share was granted by the Company. Details of the Share Award Scheme are set out in the announcement issued by the Company on 11 September 2015.

CORPORATE GOVERNANCE PRACTICES

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.

Rule 3.28 and Rule 3.05 of the Listing Rules require an issuer to have a company secretary and appoint two authorised representatives respectively. With Mr. Lee Kwok Lun’s resignation as the company secretary of the Company (the “Company Secretary”) and an authorised representative of the Company with effect from 30 June 2022, the Company failed to comply with Rule 3.28 and Rule 3.05. Following the appointment of Ms. Chin Ying Ying as the Company Secretary and an authorised representative with effect from 11 July 2022, the Company has fully complied with the requirements of Rule 3.28 and Rule 3.05 of the Listing Rules. For details, please refer to the announcements of the Company dated 30 June and 11 July 2022.

Mr. Chen Ying, Mr. Ma Chi Kin and Mr. Kyaw Sai Hong resigned as the independent non-executive Directors on 8 July 2022, therefore, the number and composition of independent non-executive Directors failed to meet the requirements under (i) Rule 3.10(1) and Rule 3.10A of the Listing Rules which require the board of directors must include at least 3 independent non-executive directors representing at least one-third of the board; (ii) Rule 3.10(2) of the Listing Rules which requires at least one of the independent non-executive directors having appropriate professional qualifications or accounting or related financial management expertise; (iii) Rule 3.21 of the Listing Rules which requires the audit committee to comprise a minimum of three members and be chaired by an independent non-executive director; (iv) Rule 3.25 of the Listing Rules which requires the remuneration committee to be chaired by an independent non-executive director and comprising a majority of independent non-executive directors; and (v) Rule 3.27A of the Listing Rules which requires the nomination committee to comprise a majority of independent non-executive directors. The Company has taken immediate actions in identifying appropriate persons and following the appointment of Ms. Chung Wing Yee on 11 July 2022; and Mr. Yim Hong Cheuk Foster and Mr. Cheng King Yip on 20 July 2022, the Company has fully complied with the requirements under Rules 3.10(1), Rule 3.10A, Rule 3.10(2), Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules. For details, please refer to the announcements of the Company dated 8 July, 11 July and 20 July 2022.

Due to the resignation of Mr. Yim Hong Cheuk Foster and Mr. Cheng King Yip as the independent non-executive Directors on 28 September and 29 September 2022 respectively, the Company was not able to comply with Rule 3.10(1), Rule 3.10(2), Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules. Following the appointment of Mr. Ma Yu-heng and Mr. Zhong Shuirong with effect from 30 September 2022, the Company has fully complied with the requirements under Rules 3.10(1), Rule 3.10(2), Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules. For details, please refer to the announcements of the Company dated 28 September and 30 September 2022.

Saved as disclosed above, 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 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 Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such the required standard set out in the Model Code and code of conduct during the Reporting Period.

AUDIT COMMITTEE

The Company established the audit committee (the “Audit Committee”) which comprises three 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 had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including a review of the interim report and the interim results of the Group for the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (<https://hksummi.com/>). The interim report for the Reporting Period containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Summi (Group) Holdings Limited
WU Shaohao
Chairman and Executive Director

Hong Kong, 24 February 2023

As at the date of this announcement, the Board comprises: Mr. WU Shaohao and Mr. WU Liantao as executive Directors; Ms. CHUNG Wing Yee, Mr. MA Yu-heng and Mr. ZHONG Shuirong as independent non-executive Directors.