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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION
TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 30 JUNE 2019**

The board (the “**Board**”) of directors (the “**Directors**”) of Summi (Group) Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) makes this announcement further to its annual report for the year ended 30 June 2019 (the “**2019 Annual Report**”).

Reference is made to the 2019 Annual Report of the Company in relation to, among other matters, the disclaimer opinion by the Fuson CPA Limited (“**Fuson**”), who is the auditor of the Company, in relation to (i) multiple uncertainties relating to going concern (the “**Audit Qualification I**”); and (ii) insufficient audit evidence in respect of opening and closing balances and transactions of Chongqing Bangxing, impairment losses recognised in respect of the lease prepayments for orange plantations and loss from changes in fair value less cost to sell in respect of the biological assets of Chongqing Bangxing, and non-compliance with International Financial Reporting Standards and omission of disclosures (the “**Audit Qualification II**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the 2019 Annual Report.

The Board would like to provide the following additional information to the 2019 Annual Report regarding the Audit Qualification I and the Audit Qualification II.

AUDIT QUALIFICATION I

The management of the Company and the audit committee of the Company discussed the Audit Qualification I and concurs with the view of Fuson.

The management of the Company actively considers various alternatives and measures, such as: to restructuring the existing loans and borrowings with the lenders and creditors; to raise additional funds from the existing shareholders and third parties; to carry out and proceed the current business and operation plan etc. Among the measures, as set out in the announcement dated 9 December 2019, on 9 December 2019, the Group entered into a debt settlement agreement (the “**Agreement**”) with certain bank creditors of the Company. In addition, the Company is in negotiation with certain bank creditors in relation to a debt restructuring (the “**Proposed Debt Restructuring**”). Pursuant to the Proposed Debt Restructuring, the outstanding loans will be restructured as a 5 years loan facility.

As set out in the announcement 31 July 2019, the Company entered into (i) the subscription agreement with the controlling shareholder of the Company; and (ii) the warrant subscription agreement with an individual (the “**Subscription Agreement**”), respectively. Pursuant to the Subscription Agreement, the management of the Company expects that the Company will raise additional funds amounting to approximately HK\$190.8 million upon the issue of the convertible bonds and the warrants, and an additional HK\$42.3 million will be raised by the Company upon the exercise of the warrants (collectively, the “**Proposed Fund Raising**”). As set out in the announcement dated 10 December 2019, an extra general meeting will be held on 27 December 2019 in relation to, among others, to review and approve the Proposed Fund Raising, for which the notice of extra general meeting and the circular in relation to the Proposed Fund Raising has been issued to the shareholders of the Company.

Upon the completion of the (i) Agreement; (ii) the Proposed Debt Restructuring; and (iii) the Proposed Fund Raising, the management of the Company expects that the Group’s financial position will be significant improved during the year ending 30 June 2020 and return to the position of net current assets. Thus, the current year modification report in respect of the going concern of the Group would be removed.

AUDIT QUALIFICATION II

The management of the Company and the audit committee of the Company discussed the Audit Qualification II and concurs with the view of Fuson.

Subsequent to the deregistration of Chongqing Bangxing on 4 November 2019, the financial information of Chongqing Bangxing would be derecognised from the Group’s consolidated financial statements and except for the opening balances of the Group for the year ending 30 June 2020 (i.e. the financial information as at 1 July 2019) and the comparative figures for the year ended 30 June 2019, the Audit Qualification II would be removed.

The Board confirmed that the above additional information does not affect other information contained in the 2019 Annual Report.

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

Hong Kong, 11 December 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.