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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)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 22 March 2021 (after trading hours), the Company entered into the Subscription Agreements with Subscribers, in respect of the Subscription of an aggregate of 269,000,000 Subscription Shares at the Subscription Price of HK\$0.12 per Share. The total consideration payable by the Subscribers under the Subscription Agreements amounts to HK\$32,280,000 and the net proceeds (after deducting all applicable costs and expenses of the Subscription) amounts to approximately HK\$31,780,000.

The Subscription Shares represent (i) approximately 13.36% of the existing total number of issued Shares of 2,013,082,652 Shares as at the date of this announcement; and (ii) approximately 11.79% of the enlarged total number of issued Shares of 2,282,082,652 Shares immediately following Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

The issue of the Subscription Shares will not be subject to separate approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM held on 27 November 2020. Pursuant to the General Mandate, the total number of new Shares that the Company has been authorised to issue is 269,572,145 Shares, representing 20% of the number of issued Shareholders as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

Given that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreements and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 22 March 2021 (after trading hours), the Company entered into the Subscription Agreements with Subscribers, in respect of the Subscription of an aggregate of 269,000,000 Subscription Shares at the Subscription Price of HK\$0.12 per Share. The total consideration payable by the Subscribers under the Subscription Agreements amounts to HK\$32,280,000.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each Subscriber and its ultimate owners or beneficiaries are third part(ies) independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company.

THE SUBSCRIPTION AGREEMENTS

On 22 March 2021 (after trading hours), the Company has entered into the Subscription Agreements, on substantially the same terms (save for the Subscription amounts and the number of Subscription Shares subscribed by each of the Subscribers), with each of the Subscribers respectively.

SUBSCRIPTION SHARES

Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 269,000,000 Subscription Shares, representing (i) approximately 13.36% of the existing total number of issued Shares of 2,013,082,652 Shares as at the date of this announcement; and (ii) approximately 11.79% of the enlarged total number of issued Shares of 2,282,082,652 Shares immediately following Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

RIGHTS OF THE SUBSCRIPTION SHARES

The Subscription Shares will be fully paid and rank pari passu with all other issued Shares in all respects as at the date of issue.

SUBSCRIPTION PRICE

The Subscription Price of HK\$0.12 per Subscription Share represents:

- (i) a discount of approximately 6.98% to the closing price of HK\$0.129 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;
- (ii) a discount of approximately 8.40% to the average closing price of HK\$0.131 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreements; and

- (iii) a discount of approximately 9.09% to the average closing price of HK\$0.132 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the historical price trend and trading volume of the Shares, the existing capital market conditions, the funding needs and financial and operation prospects of the Group's business.

The Directors consider that the Subscription Price is on normal commercial terms and is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

CONDITIONS PRECEDENT FOR THE SUBSCRIPTION

The Subscription under each of the Subscription Agreements are conditional upon satisfaction of the following conditions:

- (i) the Board having passed all necessary resolutions in approving the Subscription Agreements and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares);
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Subscription Shares;
- (iii) The representations and warranties of the Company being true and accurate in all material respects as at the dates of the Subscription Agreements and the Completion; and
- (iv) The representations and warranties of the Subscribers being true and accurate in all material respects as at the dates of the Subscription Agreements and the Completion.

Save for (iii) and (iv) above, the conditions cannot be waived by the parties. In the event the above conditions are not fulfilled (or waived) by 15 April 2021, the Subscription Agreements shall terminate and all rights, obligations and liabilities of the parties under the Subscription Agreements in relation to the Subscription shall cease and determine and none of the parties shall have any claim against the others in respect of the Subscription save for any antecedent breach.

COMPLETION

Completion will take place on the tenth Business Day after the last condition has been satisfied or waived, or such other date as the parties may agree in writing. At Completion, the Company will allot and issue 269,000,000 Subscription Shares to the Subscribers, and the Subscribers will make payments either by delivery of a cashier's order or such other methods as the parties may agree.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to separate approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM held on 27 November 2020. Pursuant to the General Mandate, the total number of new Shares that the Company has been authorised to issue is 269,572,145 Shares, representing 20% of the number of issued Shares as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

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

INFORMATION ABOUT THE SUBSCRIBERS

According to the information provided by the Subscribers and to the best of the Directors' knowledge, information and belief having made reasonable enquiries, as at the date of this announcement, each of the Subscribers is not interested in the issued shares of the Company and each of the Subscribers is an Independent Third Party.

EFFECTS OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion:

Substantial Shareholders	At the date of this announcement		Immediately after the Completion	
	No. of Shares	Approximately	No. of Shares	Approximately
Mr. Wu Shaohao (<i>Note 1</i>)	1,309,881,110	65.07%	1,309,881,110	57.40%
Rui Er Holdings Company Limited	1,309,881,110	65.07%	1,309,881,110	57.40%
Ms. Yang Xijuan (<i>Note 2</i>)	1,309,881,110	65.07%	1,309,881,110	57.40%
Ms. Hu Mingyue	120,784,960	6.00%	120,784,960	5.29%
The Subscribers	—	—	269,000,000	11.79%
Public Shareholders	582,416,582	28.93%	582,416,582	25.52%
Total:	<u>2,013,082,652</u>	<u>100.00%</u>	<u>2,282,082,652</u>	<u>100.00%</u>

Notes:

1. Rui Er Holdings Company Limited is wholly-owned by Mr. Wu Shaohao.
2. Ms. Yang Xijuan is the spouse of Mr. Wu Shaohao.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Subscription offers a good opportunity to raise additional funds to strengthen the financial position, reduce the gearing level of the Company and broaden the capital base of the Group so as to facilitate its future development. The Directors (including the independent non-executive Directors) consider that terms of the Subscription Agreements are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. The gross proceeds of the Subscription will be HK\$32,280,000. The net proceeds (after deducting all applicable costs and expenses of the Subscription) will be approximately HK\$31,780,000. The net proceeds of the Subscription are intended to be utilized as general working capital of the Group.

The net price of each Subscription Share will be approximately HK\$0.118.

Given that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreements and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 27 November 2020
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Summi (Group) Holdings Limited (森美(集團)控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock Code: 0756)
“Completion”	completion of the Subscription

“Conditions”	the conditions to the completion of the Subscription Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Main Board Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 27 November 2020 to allot, issue and deal with the Shares
“Group”	the Company and its subsidiaries from time to time and “Group member” shall be construed accordingly
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	seven individual subscribers, each of them is an Independent Third Party and is independent with each other (collectively the “Subscribers” and each is a “Subscriber”)
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the terms of the Subscription Agreements

“Subscription Agreements”	the conditional subscription agreements dated 22 March 2021 entered into between the Company as issuer and the Subscribers for the subscription of 269,000,000 (with respect of 80,000,000 shares, 80,000,000 shares, 35,000,000 shares, 35,000,000 shares, 15,000,000 shares, 15,000,000 shares and 9,000,000 shares respectively) Subscription Shares at the Subscription Price
“Subscription Price”	HK\$0.12 per Subscription Share
“Subscription Shares”	an aggregate of 269,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements; and
“%”	per cent

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

Hong Kong, 23 March 2021

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