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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)

**ANNUAL RESULTS ANNOUNCEMENT  
 FOR THE YEAR ENDED 30 JUNE 2024**

<b>FINANCIAL HIGHLIGHTS</b>			
	<b>2024</b>	2023	Change %
	<i>RMB'000</i>	<i>RMB'000</i>	(Approximate)
<b>Consolidated statement of profit or loss and other comprehensive income</b>			
Revenue	<b>80,644</b>	21,366	277.4
Gross profit	<b>21,248</b>	6,608	221.5
Loss for the year	<b>(24,550)</b>	(26,998)	(9.1)
EBITDA <i>(note)</i>	<b>11,813</b>	19,373	(39.0)
Basis and diluted EPS <i>(RMB cents)</i>	<b>(7.98)</b>	(11.83)	(32.5)
		(restated)	
<b>Consolidated statement of financial position</b>			
Cash and cash equivalents	<b>4,796</b>	5,030	(4.7)
Inventories	<b>36,616</b>	6,619	453.2
Trade receivables	<b>4,315</b>	1,018	323.9
Borrowings	<b>211,436</b>	206,588	2.3
Net liabilities	<b>(252,543)</b>	(297,546)	(15.1)

Note: EBITDA: loss before tax + finance costs + depreciation – interest income

The board (the “Board”) of directors (the “Directors”) of Summi (Group) Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2024 (the “Reporting Period”). The consolidated financial statements of the Group have been reviewed by the audit committee of the Company (the “Audit Committee”).

## **BUSINESS REVIEW AND PROSPECT**

For the Reporting Period, the Group recorded revenue of approximately RMB80,644,000 (2023: RMB21,366,000), representing an increase of approximately 277.4%. The increase in revenue was mainly due to the increase in sales of frozen concentrated orange juice (the “FCOJ”) and related products as the Group was focusing on the production of FCOJ and not-from-concentrated orange juice (the “NFC”) to B2B customers including promoting and growing the sales to juice trading companies during the Reporting Period. During the Reporting Period, the gross profit of the Group was RMB21,248,000 (2023: RMB6,608,000), representing an increase of approximately RMB14,640,000 and the gross profit margin was 26.3% (2023: 30.9%). The decrease in gross profit margin was mainly due to the change in sales mix with increased sales of FCOJ and related products during the Reporting Period.

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, leveraging the Group’s advantages in food and beverage industry to support the growth of revenue of the Group. The Group has refocused on the FOCJ and related product business by promoting and strengthening the business relationship as a major supplier to corporate customers.

## **DISCLAIMER OPINION**

SFAI (HK) CPA Limited (“SFAI”), the auditors of the Company were engaged to audit the consolidated financial statements of the Company for the Reporting Period. However, SFAI was unable to form an audit opinion on the consolidated financial statements of the Group, reasons and details of which were set out in the Independent Auditor’s Report section of this announcement.

## **THE VIEW OF THE MANAGEMENT AND AUDIT COMMITTEE IN RELATION TO THE AUDIT QUALIFICATION**

The Board and the Audit Committee concur with the view of the auditors. The management of the Company has been striving to improve the liquidity position of the Company and several measures have been implemented. During the Reporting Period, the Company has entered into the subscription agreement with the subscriber in collection with the allotment of 1,123,500,000 share of the Company (the “Shares”), which was completed in October 2023 and has raised a net proceeds of approximately HK\$74.7 million (equivalent to approximately RMB69.3 million). The management is of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Audit Committee has also discussed with the Board and the management regarding the going concern issue and understood the concerns of the auditors. The Audit Committee agreed with the position taken by the Board regarding the accounting treatment adopted by the Company. There is no disagreement by the Board, the management nor the Audit Committee with the position taken by the auditors regarding the going concern issue.

## 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. The sales of Summi Products decreased slightly by approximately 6.2% from approximately RMB16,027,000 in last year to approximately RMB15,031,000.

### FCOJ and related products

Sales of FCOJ and related products increased from approximately RMB5,339,000 over the same period last year to approximately RMB65,613,000 in the Reporting Period. The increase in sales of FCOJ and related products was attributable to the strategy on focusing on the Group’s production of FCOJ and not-from-concentrated orange juice (the “NFC”) to B2B customers including promoting and growing the sales to juice trading companies.

Breakdown of revenue by product for the Reporting Period and the corresponding year are set out as follows:

	2024		2023	
	<i>RMB'000</i>	Approximate percentage of total revenue	<i>RMB'000</i>	Approximate percentage of total revenue
Summi brand products and other products	15,031	18.6%	16,027	75.0%
FCOJ and related products	65,613	81.4%	5,339	25.0%
	<u>80,644</u>	<u>100.0%</u>	<u>21,366</u>	<u>100.0%</u>

### Selling, distribution costs and administrative expenses

The Group’s distribution costs mainly included marketing expenses and transportation costs. Distribution costs decreased by approximately 17.7% from approximately RMB4,933,000 over the corresponding year to approximately RMB4,058,000 during the Reporting Period.

The Group's administrative expenses mainly included general office administrative expenses, salaries, amortisation, etc. Administrative expenses decreased by approximately 2.2% from approximately RMB29,497,000 over the corresponding year to approximately RMB28,835,000 during the Reporting Period.

### Finance costs

During the Reporting Period, the Group's finance costs decreased by approximately 32.5% from approximately RMB29,055,000 over the corresponding year to approximately RMB19,606,000 during the Reporting Period.

### Net loss

During the Reporting Period, the Group's net loss was approximately RMB24,550,000, as compared to approximately RMB26,998,000 of the corresponding year.

## LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

### Liquidity

As at 30 June 2024, net current liabilities amounting to approximately RMB335,134,000 (2023: net current liabilities of approximately RMB348,196,000).

### Financial resources

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB4,796,000 (2023: approximately RMB5,030,000) and total bank and other borrowings of approximately RMB211,436,000 (2023: approximately RMB206,588,000). The Group has corporate bonds of RMB40,456,000 (2023: RMB137,756,000).

As at 30 June 2024, trade and other receivables were approximately RMB8,166,000 (2023: approximately RMB12,472,000) and inventories were approximately RMB36,616,000 (2023: approximately RMB6,619,000).

### Gearing

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

	<b>2024</b>	2023
Quick ratio (x)	<b>0.02</b>	0.02
Current ratio (x)	<b>0.13</b>	0.06
Gearing ratio ( <i>note (a)</i> )	<b>N/A</b>	N/A

*Note (a):* Gearing ratio is defined as the sum of borrowings and corporate bonds over total equity.

## **FOREIGN EXCHANGE EXPOSURE**

The Group is subject to foreign exchange risks arising primarily from currencies pegged to United States Dollar (“US\$”). Majority of our income source is denominated in RMB while partial of the repayment of interest and principals of our bank borrowings, are denominated in US\$. Any substantial fluctuation between the currencies may have significant effects on the Group.

Furthermore, the conversion of RMB into foreign currencies is subject to rules and regulations of exchange control enforced by the government. The Group has a standing foreign exchange risk management policy and uses forward contracts and various derivative instruments to mitigate the associated risks.

## **PLEDGE OF ASSETS**

At the end of the Reporting Period, the Group had pledged certain assets to borrowers to secure credit facilities granted to the Group, of which the details are set out in note 16 to this announcement.

## **CONTINGENT LIABILITIES**

In May 2019, the Company received a statement of claim from a former employee relating to the outstanding wages and end of year payment with an aggregate amount of HK\$2,520,000 (equivalent of approximately RMB2,355,000) and the Group has already made a full provision for such claim in prior years. As at the end of the Reporting Period and up to the date of approval of these consolidated financial statements, apart from expressly stated above, the Group is a party to a number of civil litigations cases, as either a plaintiff or defendant. In the opinion of the Directors, these cases are either premature and/or the Group has a very high likelihood of success in its action and, therefore will not have any adverse impact on the Group’s results and financial position. In the opinion of the Directors, adequate provision has been made in these consolidated financial statements. Other than the above, the Group did not have any material contingent liabilities as at 30 June 2024.

## **CAPITAL EXPENDITURE**

During the Reporting Period, the Group’s capital expenditure amounting to approximately RMB2,213,000 (2023: approximately RMB3,044,000) which was used for acquisition of property, plant and equipment.

## **HUMAN RESOURCES AND REMUNERATION POLICY**

As at 30 June 2024, the Group employed 98 employees (2023: 110 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. 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 enhance the Group’s sustainable development.

## **EVENT AFTER REPORTING PERIOD**

Other than those disclosed elsewhere in this annual results announcement, the Group does not have other significant subsequent events.

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	4	<b>80,644</b>	21,366
Cost of sales		<b>(59,396)</b>	(14,758)
<b>Gross profit</b>		<b>21,248</b>	6,608
Other income and expenses, net	6	<b>10,425</b>	29,894
Other operating expenses		<b>(3,724)</b>	(15)
Selling and distribution expenses		<b>(4,058)</b>	(4,933)
Administrative expenses		<b>(28,835)</b>	(29,497)
Finance costs	7	<b>(19,606)</b>	(29,055)
Loss before tax	8	<b>(24,550)</b>	(26,998)
Income tax	9	–	–
<b>Loss for the year</b>		<b>(24,550)</b>	(26,998)
<i>Other comprehensive expense for the year</i>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on translation of foreign operations		<b>(271)</b>	(12,553)
<b>Total comprehensive expense for the year</b>		<b>(24,821)</b>	(39,551)
Loss for the year attributable to:			
– Owners of the Company		<b>(24,545)</b>	(26,989)
– Non-controlling interests		<b>(5)</b>	(9)
		<b>(24,550)</b>	(26,998)
Total comprehensive expense attributable to:			
– Owners of the Company		<b>(24,816)</b>	(39,542)
– Non-controlling interests		<b>(5)</b>	(9)
		<b>(24,821)</b>	(39,551)
			(Restated)
<b>Loss per share</b>			
– Basic and diluted ( <i>RMB cents</i> )	11	<b>(7.98)</b>	(11.83)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		2024	2023
	Notes	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		64,790	78,334
Right-of-use assets		17,998	19,152
		<u>82,788</u>	<u>97,486</u>
<b>Current assets</b>			
Inventories		36,616	6,619
Trade and other receivables	12	8,166	12,472
Financial assets at fair value through profit or loss		889	–
Cash and cash equivalents		4,796	5,030
		<u>50,467</u>	<u>24,121</u>
<b>Current liabilities</b>			
Trade and other payables	13	133,184	73,475
Borrowings	14	211,436	183,621
Lease liabilities		525	436
Corporate bonds		40,456	114,785
		<u>385,601</u>	<u>372,317</u>
<b>Net current liabilities</b>		<u>(335,134)</u>	<u>(348,196)</u>
<b>Total assets less current liabilities</b>		<u>(252,346)</u>	<u>(250,710)</u>
<b>Non-current liabilities</b>			
Borrowings	14	–	22,967
Lease liabilities		197	898
Corporate bonds		–	22,971
		<u>197</u>	<u>46,836</u>
		<u>(252,543)</u>	<u>(297,546)</u>
<b>Capital and reserves</b>			
Share capital	15	29,842	19,341
Reserves		(282,204)	(316,711)
<b>Deficit attributable to owners of the Company</b>		<u>(252,362)</u>	<u>(297,370)</u>
Non-controlling interests		(181)	(176)
		<u>(252,543)</u>	<u>(297,546)</u>

## 1. GENERAL

Summi (Group) Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Rui Er Holdings Company Limited (“Rui Er”, the “Controlling Shareholder”), a company incorporated in the British Virgin Islands (the “BVI”). Mr. Wu Shaohao (“Mr. Wu”, the “Controlling Party”) owns the entire issued share capital of Rui Er who is also the Executive Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the *Corporate Information* section to the annual report.

The Company acts as an investment holding company.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) was involved in: (1) production and sale of frozen concentrated orange juice (“FCOJ”) and other related products (the “Production and Sale of FCOJ and Other Related Products Business”); and (2) production and sale of Summi 100% freshly squeezed orange juice (“Summi Fresh Orange Juice”) and other products (the “Production and Sale of Summi Fresh Orange Juice and Other Products Business”).

The Company’s functional currency is Hong Kong dollars (“HK\$”) while that for the major subsidiaries in the People’s Republic of China (the “PRC”) is Renminbi (“RMB”). As the operation of the Group is mainly held in the PRC, the directors of the Company (the “Directors”) consider that it is appropriate to present the consolidated financial statements in RMB.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the Directors for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Going concern assessment

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

During the year ended 30 June 2024, the Group incurred a loss attributable to owners of the Company of approximately RMB24,545,000 (2023: RMB26,989,000). In addition, as at 30 June 2024, the Group had net current liabilities of approximately RMB335,134,000 (2023: RMB348,196,000) and a deficit of shareholders’ equity attributable to owners of the Company of approximately RMB252,362,000 (2023: RMB297,370,000).

As at 30 June 2024, the Group had indebtedness, including borrowings, corporate bonds and lease liabilities were of approximately RMB211,436,000, RMB40,456,000 and RMB722,000 (2023: RMB206,588,000, RMB137,756,000 and RMB1,334,000), respectively. Out of which, the Group’s borrowings, corporate bonds and lease liabilities of approximately RMB211,436,000, RMB40,456,000 and RMB525,000 (2023: RMB183,621,000, RMB114,785,000 and RMB436,000), respectively will fall due within twelve months from the date of 30 June 2024, while its cash and cash equivalents amounting to approximately RMB4,796,000 (2023: RMB5,030,000) only.

As at 30 June 2024, certain of the Group’s borrowings and corporate bonds amounting to approximately RMB92,079,000 and RMB40,456,000, respectively were default due to the events of default of late or overdue payment of the principal and/or interest in accordance with the clauses of the corporate bonds/loans agreements, which, as a consequence, the amounts would be immediately repayable if and when requested by the lenders.



The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of aforementioned, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) The Directors will consider to improve the financial position of the Group and to enlarge the capital base of the Company by further conducting fund raising exercises such as share placement, rights issues or others when necessary (the "Capital Fund Raising Plan");
- (ii) The Group is still actively in the process of negotiating with various bank, other financial institutions, third parties and related parties to renew its existing borrowings and corporate bonds which will be matured within twelve months after 30 June 2024 and to raise short-term and/or long-term financing to the Group so that the Group will be able to meet all financial obligations as and when they fall due in the coming twelve months from 30 June 2024 (the "Financing Plan"); and
- (iii) The Group continues to take active plans and measures to control operation and administrative costs through various channels, including but not limited to (i) having production and human resources optimisation and adjustments, (ii) reorganising the structure to each segment and maintaining close communication with suppliers, customers and banks, etc. (iii) committing to soliciting for new customers and exploring overseas markets to support the sustainable development of principle business of the Group; and (iv) containment of capital expenditures etc. (the "Business and Operation Restructuring Plan").

### **3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")**

#### **New and amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### ***Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates***

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

### ***Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies***

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 4(b) to the consolidated financial statements.

### ***Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong***

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory and voluntary MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the *Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022* (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “Abolition”). The Abolition will officially take effect on 1 May 2025 (the “Transition Date”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “*Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong*” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee’s LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 *Employee Benefits* to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA’s guidance, as a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as “independent of the number of years of service” and the practical expedient in paragraph 93(b) of HKAS 19 *Employee Benefits* is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19 *Employee Benefits*. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2022, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 *Employee Benefits* before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 *Employee Benefits* after the Abolition.

The directors of the Company consider that the changes in the Group’s accounting policy in the current year had no material impact on the consolidated financial statements.

#### **Amendments to IFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS 16	Lease liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of all these new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### 4. REVENUE

##### (a) Disaggregation of revenue from contracts with customers

During the year ended 30 June 2024, the Group is mainly engaged in the production and sale of FCOJ and other related products and Summi Fresh Orange Juice and other products.

##### (i) *The Group derives revenue from transfer of goods and services by category of types of goods, sale channel/type of customers*

	FCOJ and other related products RMB'000	Summi Fresh Orange Juice and other products RMB'000	Total RMB'000
<b><i>For the year ended 30 June 2023</i></b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Types of goods</i>			
– FCOJ	5,339	–	5,339
– Summi Fresh Orange Juice	–	14,330	14,330
– Summi brand products	–	1,697	1,697
	<hr/>	<hr/>	<hr/>
Total	5,339	16,027	21,366
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Sales channel/type of customers:</i>			
– Food and beverages manufacturers	5,339	–	5,339
– Retail	–	15,038	15,038
– Restaurants	–	989	989
	<hr/>	<hr/>	<hr/>
	5,339	16,027	21,366
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>For the year ended 30 June 2024</i></b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Types of goods</i>			
– FCOJ	65,613	–	65,613
– Summi Fresh Orange Juice	–	14,482	14,482
– Summi brand products	–	549	549
	<hr/>	<hr/>	<hr/>
Total	65,613	15,031	80,644
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Sales channel/type of customers:</i>			
– Food and beverages manufacturers	65,613	–	65,613
– Retail	–	14,481	14,481
– Restaurants	–	550	550
	<hr/>	<hr/>	<hr/>
	65,613	15,031	80,644
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(ii) *The Group derives revenue from transfer of goods and services by timing of revenue recognition*

	FCOJ and other related products <i>RMB'000</i>	Summi Fresh Orange Juice and other products <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 30 June 2023</b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Timing of revenue recognition:</i>			
– A point in time	5,339	16,027	21,366
	<u>5,339</u>	<u>16,027</u>	<u>21,366</u>
<b>For the year ended 30 June 2024</b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Timing of revenue recognition:</i>			
– A point in time	65,613	15,031	80,644
	<u>65,613</u>	<u>15,031</u>	<u>80,644</u>

(iii) *The Group derives revenue from the transfer of goods and services by geographical markets*

	FCOJ and other related products <i>RMB'000</i>	Summi Fresh Orange Juice and other products <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 30 June 2023</b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Geographical markets</i>			
– Mainland China	5,339	14,330	19,669
– Hong Kong	–	1,697	1,697
	<u>5,339</u>	<u>16,027</u>	<u>21,366</u>
<b>For the year ended 30 June 2024</b>			
<b>Revenue from contracts with customers within the scope of IFRS 15</b>			
<i>Geographical markets</i>			
– Mainland China	65,613	13,858	79,471
– Hong Kong	–	1,173	1,173
	<u>65,613</u>	<u>15,031</u>	<u>80,644</u>

(b) **Contract balances**

		<b>As at 30 June</b>		As at
		<b>2024</b>	2023	1 July 2022
		<b>RMB'000</b>	RMB'000	RMB'000
Trade receivables	12	<b>4,315</b>	1,018	4,351
Less: Impairments		<u>–</u>	<u>–</u>	<u>–</u>
		<b>4,315</b>	1,018	4,351
Contract liabilities	13	<b>6,654</b>	2,595	–

Information about the Group's trade receivables and contract liabilities are set out in notes 12 and 13, respectively.

(c) **Performance obligations for contracts with customers and revenue recognition policies**

The Group is mainly engaged in the production and sale of FCOJ and other related products and Summi Fresh Orange Juice and other products.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.

The Group recognises revenue when the significant risks and rewards of ownership of any goods and services have been transferred, and the Group's performance obligations for contracts with customers and revenue and other income recognition policies are as follows:

(i) ***Sale of FCOJ and other related products***

The Group sells FCOJ and other related products to the food and beverages manufacturers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location.

Revenue from trading of FCOJ and other related products are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

**(ii) Sale of Summi Fresh Orange Juice and other products**

The Group sells Summi Fresh Orange Juice and other products to the (i) wholesale and distributors; (ii) retail; and (iii) restaurants.

For sales of Summi Fresh Orange Juice and other products to the wholesale and distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers' specific location. Following the delivery, the wholesaler and distributors have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of Summi Fresh Orange Juice and other products to the retail and restaurants, revenue is recognised when the goods have been delivered to the customers and the control of the goods has been transferred, being at the point the customer purchases the goods.

Revenue from trading of Summi Fresh Orange Juice and other products are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

**(iii) Interest income**

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

**(d) Transaction price allocated to remaining performance obligation**

All revenue contracts are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

**5. OPERATING SEGMENTS INFORMATION**

The Group determines its operating segments based on the information reported to the chief operating decision maker (i.e. "CODM"), 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.

The Group divided the business into two segments: (1) Production and Sale of FCOJ and Other Related Products Business segment; and (2) Production and Sale of Summi Fresh Orange Juice Business and Other Products Business segment.

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

### Segment revenue and results

	<b>Production and Sale of FCOJ and Other Related Products Business RMB'000</b>	<b>Production and Sale of Sumi Fresh Orange Juice and Other Products Business RMB'000</b>	<b>Total RMB'000</b>
<b>For the year ended 30 June 2023</b>			
<b>Segment revenue</b>			
– Sales to external customers	5,339	16,027	21,366
– Inter-segment sales	6,204	8,223	14,427
	<u>11,543</u>	<u>24,250</u>	<u>35,793</u>
<b>Segment revenue</b>	<u>11,543</u>	<u>24,250</u>	35,793
Inter-segment sales			<u>(14,427)</u>
Consolidated revenue			<u>21,366</u>
<b>Segment results</b>	<u>9,535</u>	<u>4,019</u>	13,554
Unallocated losses			(15)
Corporate and other unallocated expenses			(11,482)
Finance costs			<u>(29,055)</u>
Loss before tax			<u>(26,998)</u>
<b>For the year ended 30 June 2024</b>			
<b>Segment revenue</b>			
– Sales to external customers	65,613	15,031	80,644
– Inter-segment sales	871	5,337	6,208
	<u>66,484</u>	<u>20,368</u>	<u>86,852</u>
<b>Segment revenue</b>	<u>66,484</u>	<u>20,368</u>	86,852
Inter-segment sales			<u>(6,208)</u>
Consolidated revenue			<u>80,644</u>
<b>Segment results</b>	<u>16,020</u>	<u>(11,998)</u>	4,022
Corporate and other unallocated expenses			(8,966)
Finance costs			<u>(19,606)</u>
Loss before tax			<u>(24,550)</u>



## Segment assets and liabilities

	<b>Production and Sale of FCOJ and Other Related Products Business RMB'000</b>	<b>Production and Sale of Summi Fresh Orange Juice and Other Products Business RMB'000</b>	<b>Total RMB'000</b>
<b><i>As at 30 June 2023</i></b>			
<b>Assets and liabilities</b>			
<b>Segment assets</b>	<u>62,553</u>	<u>31,185</u>	93,738
Corporate and other unallocated assets			<u>27,869</u>
Total assets			<u>121,607</u>
<b>Segment liabilities</b>	<u>142,876</u>	<u>67,745</u>	210,621
Corporate and other unallocated liabilities			<u>208,532</u>
Total liabilities			<u>419,153</u>
<b><i>As at 30 June 2024</i></b>			
<b>Assets and liabilities</b>			
<b>Segment assets</b>	<u>70,513</u>	<u>51,616</u>	122,129
Corporate and other unallocated assets			<u>11,126</u>
Total assets			<u>133,255</u>
<b>Segment liabilities</b>	<u>207,429</u>	<u>27,521</u>	234,950
Corporate and other unallocated liabilities			<u>150,848</u>
Total liabilities			<u>385,798</u>

Segment results represent the profit earned by (loss from) each segment without allocation of certain central administration costs, other operating expense, 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.

For the purposes of monitoring segment performances and allocating resources between segments:

- (a) all assets are allocated to operating segments other than cash and cash equivalents, certain property, plant and equipment, financial assets at FVTPL and other receivables which were managed in a centralised manner.

- (b) all liabilities are allocated to operating segments other than corporate bonds, certain lease liabilities, borrowings and certain other payables which were managed in a centralised manner.

Inter-segment sales are charged at prevailing market rates.

**Other segment information**

	<b>Production and Sale of FCOJ and Other Related Products Business RMB'000</b>	<b>Production and Sale of Summi Fresh Orange Juice and Other Products Business RMB'000</b>	<b>Unallocated RMB'000</b>	<b>Total RMB'000</b>
<b><i>For the year ended 30 June 2023</i></b>				
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>				
Depreciation	4,959	12,222	138	17,319
Additions to non-current assets	3,044	514	–	3,558
(Reversal of) impairment losses recognised in respect of:				
– Inventories	(5,863)	2,129	–	(3,734)
<b>Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:</b>				
Bank interest income	2	1	–	3
Losses on disposals of property, plant and equipment and right-of-use assets	3	–	–	3
Finance costs	–	–	29,055	29,055
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>For the year ended 30 June 2024</i></b>				
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>				
Depreciation	<b>4,218</b>	<b>12,518</b>	<b>28</b>	<b>16,764</b>
Additions to non-current assets	<b>1,168</b>	<b>1,566</b>	<b>89</b>	<b>2,823</b>
(Reversal of) impairment losses recognised in respect of:				
– Inventories	<b>(2,530)</b>	<b>(6,179)</b>	–	<b>(8,709)</b>
<b>Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:</b>				
Bank interest income	–	7	–	7
Losses on disposals of property, plant and equipment and right-of-use assets	<b>12</b>	–	–	<b>12</b>
Losses on derecognition of right-of-use assets and lease liabilities	–	–	<b>66</b>	<b>66</b>
Finance costs	–	–	<b>19,606</b>	<b>19,606</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Geographical information

The Group's operations are mainly located in Hong Kong and Mainland China.

Information about the Group's revenue from external customers is presented based on the location of operations and details are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>		
Mainland China	79,471	19,669
Hong Kong	1,173	1,697
	<u>80,644</u>	<u>21,366</u>

Information about the Group's non-current assets is presented based on the geographical location of the assets and details are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Non-current assets</b>		
Mainland China	82,009	96,825
Hong Kong	779	661
	<u>82,788</u>	<u>97,486</u>

## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A <sup>1</sup>	23,819	–
Customer B <sup>1</sup>	12,053	–
Customer C <sup>1</sup>	10,558	–
Customer D <sup>1</sup>	8,635	–
Customer E <sup>2</sup>	–	8,948
Customer F <sup>3</sup>	–	3,861
Customer G <sup>4</sup>	–	2,071
	<u>–</u>	<u>14,880</u>

<sup>1</sup> Revenue from Production and Sale of FCOJ and Other Related Products Business segment.

<sup>2</sup> Revenue from Production and Sale of Summi Fresh Orange Juice and Other Products Business segment. The customer is controlled and beneficially owned by a director of the Group. The current year revenue did not contribute over 10% of the total revenue of the Group.

<sup>3</sup> Revenue from Production and Sale of Summi Fresh Orange Juice and Other Products Business segment. The current year revenue did not contribute over 10% of the total revenue of the Group.

<sup>4</sup> Revenue from Production and Sale of FCOJ and Other Related Products Business segment. The current year revenue did not contribute over 10% of the total revenue of the Group.

## 6. OTHER INCOME AND EXPENSES, NET

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
Bank interest income		7	3
Government grants			
– Hong Kong	<i>(a)</i>	<b>212</b>	324
– PRC	<i>(b)</i>	<b>1,537</b>	2,370
Losses on disposals of property, plant and equipment and right-of-use assets		<b>(12)</b>	(3)
Losses on written off of property, plant and equipment		–	(170)
Losses on derecognition of right-of-use assets and lease liabilities		<b>(66)</b>	–
Losses on disposals of financial assets at FVTPL		<b>(2,199)</b>	–
Fair value changes of financial assets at FVTPL		<b>(24)</b>	–
Reversal of provision for other tax payables		–	12,950
Written back of trade and other payables		–	2,753
Waiver of interest payable		<b>10,264</b>	–
Overprovision of sale commissions and accrual charges		–	4,758
Gain on deregistration of a subsidiary		–	7
Others		<b>706</b>	6,902
		<b>10,425</b>	29,894

### Notes:

- (a) During the year ended 30 June 2024, the Group recognised government grants of RMB212,000 of which RMB90,000 relates to SME Export Marketing Fund and RMB122,000 relates to the Technology Voucher Programme provided by the Hong Kong Government (2023: RMB324,000 in respect of Covid-19-related subsidies, of which RMB300,000 relates to Employment Support Scheme, RMB21,000 relates to SME Export Marketing Fund and RMB2,000 relates to Anti-epidemic Fund provided by the Hong Kong Government).
- (b) During the year ended 30 June 2024, governments grant of approximately RMB1,537,000 (2023: RMB2,370,000) was recognised as other income for the year as there was no unfulfilled condition or contingencies relating to this subsidy.

## 7. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest and default interest expenses on corporate bonds	3,422	16,168
Interest and default interest expenses on bank and other borrowings	16,149	12,830
Interest on lease liabilities	35	57
	<u>19,606</u>	<u>29,055</u>

## 8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Staff costs, including Directors' and Chief Executive Officer's remuneration		
– Wages, salaries and other benefits	5,114	6,601
– Performance related bonuses	195	149
– Contributions to defined contribution plans	501	660
	<u>5,810</u>	<u>7,410</u>
Cost of inventories recognised as an expense, including:	59,396	14,758
– Reversal of impairment losses recognised in respect of inventories	(8,709)	(3,734)
	<u>16,687</u>	<u>11,024</u>
Depreciation on:		
– Property, plant and equipment	15,719	16,434
– Right-of-use assets	1,045	885
	<u>16,764</u>	<u>17,319</u>
Others:		
Auditor's remuneration	1,110	1,071
Foreign exchange gains and losses, net	31	345
Short-term leases expenses	614	760
	<u>1,755</u>	<u>2,176</u>

## 9. INCOME TAX

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax	–	–
Deferred income tax	–	–
	<hr/>	<hr/>
	–	–
	<hr/> <hr/>	<hr/> <hr/>

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI for both years.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision has been made for Hong Kong Profits Tax as there are no assessable profits generated for both years.

The provision for PRC Enterprise Income Tax (“EIT”) is based on the respective applicable rates on the estimated assessable profit of the Company’s subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC for both years. The applicable income tax rate for the rest of the Group’s operating subsidiaries in the PRC is 25% for both years. No provision has been made for PRC EIT as there are no assessable profits generated for both years.

Income tax for the Group’s Malaysia operations is calculated at the rate of 24% on the estimated assessable profit derived from Malaysia for both years. No provision has been made for Malaysia income tax as there are no assessable profits generated for both years.

## 10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 30 June 2024 and 30 June 2023, nor has any dividend been proposed since the end of the reporting period.

## 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Loss for the year</i>		
Loss for the year attributable to the owners of the Company		
for the purpose of basic loss per share	<hr/> <hr/> <b>(24,545)</b>	<hr/> <hr/> <b>(26,989)</b>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

	<b>2024</b>	2023 (Restated)
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><b>(7.98)</b></u>	<u>(11.83)</u>

The weighted average number of ordinary shares for the purpose of basic and diluted loss for the year ended 30 June 2024 has been adjusted for the Subscription of New Shares for the year ended 30 June 2024 and details of which are set out in note 15(a).

As described in note 15(b), on 22 February 2024, an ordinary resolution passed at the extraordinary general meeting of the Company for the share consolidation of every 10 ordinary shares into 1 consolidated share, which was effective on 22 February 2024 (i.e. the “Share Consolidation”, as described in note 15(b)). The weighted average numbers of ordinary shares in issue for the purpose of calculating basic and diluted loss per share for the years ended 30 June 2024 and 30 June 2023 have been retrospectively adjusted on the assumption that the Share Consolidation had been effective since 1 July 2022.

No diluted earnings per share for both years 2024 and 2023 were presented as there were no potential ordinary shares in issue for both years 2024 and 2023.

## 12. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
Trade receivables	<i>(a)</i>	<b>4,315</b>	1,018
Less: Impairments		<u>–</u>	<u>–</u>
		<b>4,315</b>	1,018
Others:			
– Security deposit		<b>8</b>	3,127
– Tender deposit		–	6,325
– Deposit related to claim from a former employee		<b>935</b>	927
– Rental deposits		<b>141</b>	139
– Other deposits		<b>1,285</b>	776
– Prepayments		<b>1,482</b>	160
		<b>3,851</b>	11,454
Less: Impairments		<u>–</u>	<u>–</u>
		<b>3,851</b>	11,454
Total trade and other receivables		<u><b>8,166</b></u>	<u>12,472</u>

Notes:

**(a) Trade receivables**

In respect of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Therefore, the Directors consider that the Group's credit risk is minimised and ECL allowance is considered insignificant. The Group generally grant credit period on sales ranging from 30 days to 120 days to its customers.

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

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the invoice dates, which approximates to the respective revenue recognition dates, at the end of the reporting period.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	3,679	371
31 to 60 days	202	58
61 to 90 days	86	300
Over 90 days	348	289
	<u>4,315</u>	<u>1,018</u>

For the years ended 30 June 2024 and 30 June 2023, the management of the Group has assessed the ECL of all trade receivables as insignificant and therefore it did not result in an impairment allowance for both years.

**13. TRADE AND OTHER PAYABLES**

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<i>(a)</i>	2,186	378
Payables for acquisition of property, plant and equipment		827	294
Other tax payables		640	2,310
Accrued staff costs		2,490	1,607
Interest payables	<i>(b)</i>	12,820	16,570
Amounts due to a director and related companies, net	<i>(c)</i>	92,021	44,226
Amount due to an independent third party	<i>(d)</i>	6,204	–
Contract liabilities	<i>(e)</i>	6,654	2,595
Provision for litigation		2,355	2,337
Other payables and accruals		6,987	3,158
		<u>133,184</u>	<u>73,475</u>



Notes:

**(a) Trade payables**

The following is an aged analysis of accounts payable presented based on the invoice dates.

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
0 – 90 days	<b>1,808</b>	137
Over 365 days	<b>378</b>	241
	<hr/> <b>2,186</b> <hr/>	<hr/> 378 <hr/>

The Group had financial risk management policies in place to ensure all payables are settled within the credit timeframe. The credit period on purchase of goods is ranging from 90 to 150 days (2023: 90 to 150 days).

**(b) Interest payables**

Interest payable represents the accrued interest and default interest on bank and other borrowings and corporate bonds.

On 1 July 2023, the Group entered into an agreement with an individual lender and pursuant to which, the lender agreed to waive the accrued interest payable amounting to approximately RMB10,264,000 and the amount was credited to profit or loss for the year.

**(c) Amounts due to a director and related companies, net**

The amounts represent the amounts due to Mr. Wu, the Executive Director and Controlling Party of the Company and related companies that are owned by Mr. Wu, which are unsecured, interest-free and repayable on demand.

During the year ended 30 June 2024, the following are significant movements of the “amounts due to a director and related companies, net”:

- (i) During the year ended 30 June 2024, the Company recognised sales of goods to related companies held by Mr. Wu amounting to approximately RMB3,490,000 (2023: RMB8,948,000) and the amount was credited to the “amounts due to a director and related companies, net”. As at 30 June 2024, the outstanding trade receivables with these related companies of Mr. Wu amounting to approximately RMB19,202,000 (2023: RMB15,712,000) which are in trade nature with the aging over 90 days.
- (ii) During the year ended 30 June 2024, Mr. Wu settled the outstanding consideration for the Subscription Shares of approximately RMB69,824,000 through the setting off the amount with the “amounts due to a director and related companies, net” and details of which are set out in note 15(a).
- (iii) During the year ended 30 June 2024, Mr. Wu settled the outstanding corporate bonds due to him amounting to approximately RMB99,069,000 with the “amounts due to a director and related companies, net”.

(d) **Amount due to an independent third party**

The amount is unsecured, interest-free, and repayable on demand.

(e) **Contract liabilities**

As at 30 June 2024 and 30 June 2023, the Company's contract liabilities represent the advances received from customers regarding the provision of goods regarding sales income.

**14. BORROWINGS**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank borrowings		
– Syndicated Loan	92,079	97,926
– PRC bank loans	61,450	49,279
Other borrowings		
– Individuals	57,907	59,383
	<u>211,436</u>	<u>206,588</u>
The carrying amounts of borrowings repayable based on scheduled repayment dates set out in the loan agreements:		
Within one year or on demand	187,396	59,516
Within a period of more than one year but not exceeding two years	19,540	99,977
Within a period of more than two years but not exceeding five years	4,500	47,095
	<u>211,436</u>	<u>206,588</u>
Less: The carrying amounts of borrowings repayable based on scheduled repayment dates set out in the loan agreements and also those amounts become immediately due and payable due to breach of loan agreements and/or contain a repayment on demand clause/ or payable within one year or on demand which were shown under current liabilities	<u>(211,436)</u>	<u>(183,621)</u>
Amounts shown under non-current liabilities	<u>–</u>	<u>22,967</u>

## 15. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital	
		HK\$'000	RMB'000
<b>Authorised</b>			
As at 1 July 2022, 30 June 2023 and 1 July 2023 (ordinary share at HK\$0.01 per share)	3,000,000,000	30,000	26,376
Increase in Authorised Share Capital (note (a) below)	2,000,000,000	20,000	18,600
Share Consolidation (note (b) below)	(4,500,000,000)	–	–
		<hr/>	<hr/>
As at 30 June 2024 (ordinary share at HK\$0.1 per share)	500,000,000	50,000	44,976
	<hr/>	<hr/>	<hr/>
	Number of shares	Share capital	
		HK\$'000	RMB'000
<b>Issued and fully paid</b>			
As at 1 July 2022, 30 June 2023 and 1 July 2023 (ordinary share at HK\$0.01 per share)	2,282,082,652	22,821	19,341
Subscription of New Shares (note (a) below)	1,123,500,000	11,235	10,501
Share Consolidation (note (b) below)	(3,065,024,387)	–	–
	<hr/>	<hr/>	<hr/>
As at 30 June 2024 (ordinary share at HK\$0.1 per share)	340,558,265	34,056	29,842
	<hr/>	<hr/>	<hr/>

Notes:

### (a) Subscription of New Shares and Increase in Authorised Share Capital

Pursuant to the announcement of the Company dated 10 July 2023, on 10 July 2023, the Company entered into the subscription agreement (the “Subscription Agreement”) with the subscriber (the “Subscriber”), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,123,500,000 subscription shares (the “Subscription Shares”) at the subscription price (the “Subscription Price”) of HK\$0.067 per Subscription Share to the Subscriber (the “Subscription of New Shares”). The Subscription of New Shares is subject to various conditions set forth in the Subscription Agreement.

As at 10 July 2023, the Subscriber is an investment holding company incorporated in British Virgin Islands with limited liability, which is wholly owned by Mr. Wu, the Controlling Party. The Subscriber is the controlling shareholder which beneficially owns 1,309,881,110 Shares, representing 57.40% of the issued share capital of the Company, and hence a connected person of the Company under the Listing Rules.

The Subscription Price of HK\$0.067 per Subscription Share represents:

- (i) a discount of approximately 9.46% to the closing price of HK\$0.074 per share as quoted on the Stock Exchange on 10 July 2023, being the “Last Trading Day”;

- (ii) a discount of approximately 9.46% to the average closing price of approximately HK\$0.074 per share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 9.70% to the average closing price of approximately HK\$0.0742 per share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.46% to the closing price of HK\$0.074 per share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a theoretical dilution effect represented by a discount of approximately 3.12%, calculated based on the theoretical diluted price of approximately HK\$0.0717 per share to the theoretical benchmarked price of HK\$0.074 per Share (taking into account the higher of (a) the closing price of the shares as quoted on the Stock Exchange on the Last Trading Day; and (b) the average of the closing prices of the shares as quoted on the Stock Exchange for the previous five consecutive trading days prior to the date of 10 July 2023.

The Subscription Shares represent approximately 49.23% of the existing issued shares as at 10 July 2023 and approximately 32.99% of the enlarged issued shares of 3,405,582,652 shares immediately following completion of the Subscription of New Shares (the “Completion”), assuming that there would be no change in the total number of issued shares (other than the issue of the Subscription Shares) between 10 July 2023 and Completion.

Pursuant to the announcement of the Company dated 24 July 2023, the Board proposed to increase the authorised share capital of the Company from HK\$30,000,000 divided into 3,000,000,000 shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 shares of HK\$0.01 each by the creation of an additional 2,000,000,000 new unissued shares (the “Increase in Authorised Share Capital”).

As at 24 July 2023, the authorised share capital of the Company was HK\$30,000,000 divided into 3,000,000,000 shares of HK\$0.01 each, of which 2,282,082,652 shares have been allotted and issued as fully paid or credited as fully paid.

Pursuant to the ordinary resolutions passes in the extraordinary general meeting of the Company on 19 September 2023, the Subscription Agreement and the transactions contemplated thereunder and Increase in Authorised Share Capital were approved by the shareholders of the Company.

Pursuant to the Company’s announcement dated 16 October 2023, all the conditions precedent set out in the Subscription Agreement had been fulfilled and the Completion took place on 16 October 2023. Upon the Completion, 1,123,500,000 Subscription Shares have been issued to the Subscriber at the Subscription Price of HK\$0.067 per Subscription Share.

The aggregate gross proceeds and net proceeds of the Subscription Shares, after the deduction of related fees and expenses, amounting to approximately HK\$75,274,500 (equivalent to approximately RMB70,349,000) and HK\$74,710,000 (equivalent to approximately RMB69,824,000), respectively.

The new issued of shares shall rank pari passu with the existing shares in all respects.

Details of the above are set out in the Company’s announcements dated 10 July 2023, 24 July 2023, 19 September 2023, 6 October 2023 and 16 October 2023 and the circular of the Company dated 31 August 2023.

During the year ended 30 June 2024, the Controlling Party settled the Subscription Shares of approximately RMB69,824,000 through the setting off the amount with the “amounts due to a director and related companies, net” and details of which are set out in note 13(c).

**(b) Share Consolidation**

Pursuant to the Company's announcement dated 12 January 2024, the Board proposed that every ten (10) existing shares in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share (the "Consolidated Share"). As at 12 January 2024, there are 3,405,582,652 existing shares in issue which are fully paid or credited as fully paid. Assuming no further Shares would be issued from 12 January 2024 up to the date of the extraordinary general meeting of the Company to be convened to approve, among other things, the proposed Share Consolidation, upon the Share Consolidation becoming effective, there would be 340,558,265 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$50,000,000 but will be divided into 500,000,000 Consolidated Shares of HK\$0.1 each.

Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 22 February 2024, the Share Consolidation was approved by the shareholders of the Company.

Details of the above are set out in the Company's announcements dated 12 January 2024, 25 January 2024 and 22 February 2024 and the circular of the Company dated 2 February 2024.

**16. PLEDGE OF ASSETS**

At the end of the reporting period, the Group had pledged the following assets to the lenders to secure the credit facilities granted to the Group:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Property, plant and equipment	<b>52,917</b>	51,853
Right-of-use assets	<b>11,652</b>	11,975
	<b>64,569</b>	63,828

Save as the pledged assets disclosed above, the issued shares of certain subsidiaries of the Company were also pledged to secure borrowings of the Group as at 30 June 2024 and 30 June 2023.

## **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.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

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.

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 Model Code. Specific enquiry has been made to all Directors and all Directors have confirmed that they had fully complied with the Model Code and the Company's code of conduct during the Reporting Period.

## **AUDIT COMMITTEE**

The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhong Shuirong (chairman of the Audit Committee), Ms. Chung Wing Yee and Ms. Yang Xuping. 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 advices and comments to the Board. The Audit Committee is established with specific terms of reference 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 has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of this announcement and the final result of the Group for the Reporting Period.

## **SCOPE OF WORK OF SFAI (HK) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in this announcement have been agreed by the Group's auditors, SFAI (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SFAI (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SFAI (HK) CPA Limited on this announcement.

## **EXTRACT FROM INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the consolidated financial statements of the Group for the year ended 30 June 2024.

### **Disclaimer of Opinion**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significant of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to form an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Multiple uncertainties relating to going concern**

As described in note 2 to the consolidated financial statements, during the year ended 30 June 2024, the Group incurred a loss attributable to the owners of the Company of approximately RMB24,545,000. In addition, as at 30 June 2024, the Group had net current liabilities of approximately RMB335,134,000 and a deficit of shareholders' equity attributable to owners of the Company of approximately RMB252,362,000.

As at 30 June 2024, certain of the Group's borrowings and corporate bonds amounting to approximately RMB92,079,000 and RMB40,456,000 respectively were default due to the events of default of late or overdue payment of the principal and/or interest in accordance with the clauses of the corporate bonds/loans agreements, which, as a consequence, the amounts would be immediately repayable if and when requested by the lenders.

These conditions, together with other matters described in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company (the "Directors") have been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and to mitigate the liquidity pressure and to improve the Group's financial position, which are set out in note 2 to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including:

- (i) Successful execution and completion of the Capital Fund Raising Plan, Financing Plan and Business and Operation Restructuring Plan (as defined in note 2 to the consolidated financial statements); and
- (ii) Successful generation of operating cash flows and in obtaining of additional sources of financing to finance the settlement of its existing financial obligations, commitments and future operating and capital expenditure, as well as to maintain sufficient cash flows of the Group's operations.

As a result of the abovementioned multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended 30 June 2024 (2023: nil).

## **PUBLICATION OF 2024 FINAL RESULTS AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://hksummi.com>). The annual report of the Company for the year containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the same websites in due course.

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

Hong Kong, 30 September 2024

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