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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)

**PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE**

Financial Adviser to the Company



PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 3,405,582,652 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will 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.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 4,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 4,000 Existing Shares to 2,000 Consolidated Shares. Based on the closing price of HK\$0.219 per Existing Share (equivalent to the theoretical closing price of HK\$2.19 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$876; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$8,760 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 2,000 Consolidated Shares would be HK\$4,380 on the assumption that the Change in Board Lot Size had also become effective.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the Change in Board Lot Size and the notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 2 February 2024.

Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of par value of HK\$0.01 each, and there are 3,405,582,652 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will 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. The Company does not have any outstanding share options and warrants or other securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable the laws in Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Monday, 26 February 2024 subject to the fulfilment of the above conditions.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 4,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 4,000 Existing Shares to 2,000 Consolidated Shares. Based on the closing price of HK\$0.219 per Existing Share (equivalent to the theoretical closing price of HK\$2.19 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$876; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$8,760 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 2,000 Consolidated Shares would be HK\$4,380 on the assumption that the Change in Board Lot Size had also become effective.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Moreover, pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, it stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) the expected board lot value per board lot should be greater than HK\$2,000 after taking into account the minimum transaction costs for a securities trade.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation and Change in Board Lot Size will (i) enable the Company to comply with the trading requirements pursuant to the Listing Rules and reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade; and (ii) maintain the trading amount for each board lot at a reasonable level and attract a broader range of investors, and therefore further broaden the shareholder base of the Company.

In view of the above, the Company considers the Share Consolidation and Change in Board Lot Size are reasonable notwithstanding the potential costs including but not limited to the professional fees and printing charge to be incurred in relation to the Share Consolidation and Change in Board Lot Size and impact arising from creation of odd lots to Shareholders. Accordingly, the Board considers that the Share Consolidation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or intend to carry out any fund-raising activities which may affect the trading in the Consolidated Shares in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise for future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Further details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Monday, 26 February 2024, Shareholders may on or after Monday, 26 February 2024 and until Friday, 5 April 2024 (both days inclusive), submit their existing share certificates for the Existing Shares (in green colour) to the Company's branch share registrar and transfer office of the Company, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for exchange for new share certificates for the Consolidated Shares (in light blue colour) at the expense of the Company. Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Share Registrar for exchange of new share certificates. After 4:10 p.m. on Tuesday, 2 April 2024, trading will only be in Consolidated Shares which share certificates will be issued in light blue colour. Existing share certificates in green colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title, and may be exchanged for share certificates for the Consolidated Shares at any time at the expenses of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the EGM.	On or before Friday, 2 February 2024
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the EGM	4:30 p.m. on Monday, 19 February 2024
Closure of register of members for determining the entitlement to attend and vote at the EGM (both days inclusive).	Tuesday, 20 February 2024 to Thursday, 22 February 2024
Latest time for lodging forms of proxy for the EGM.	3:00 p.m. on Tuesday, 20 February 2024
Date and time of the EGM	3:00 p.m. on Thursday, 22 February 2024
Publication of the announcement of the results of the EGM	Thursday, 22 February 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and Change in Board Lot as set out in this announcement.

Effective date of the Share Consolidation	Monday, 26 February 2024
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Monday, 26 February 2024
Dealing in the Consolidated Shares commences	9:00 a.m. on Monday, 26 February 2024
Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 26 February 2024
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 26 February 2024
Original counter for trading in the Consolidated Shares in new board lots of 2,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Monday, 11 March 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Monday, 11 March 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 11 March 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 2 April 2024

Temporary counter for trading in the Consolidated Shares
in board lots of 400 Consolidated Shares
(in the form of existing share certificates) closes. 4:10 p.m. on
Tuesday, 2 April 2024

Parallel trading in the Consolidated Shares
(in the form of new share certificates for
the Consolidated Shares and
existing share certificates) ends 4:10 p.m. on
Tuesday, 2 April 2024

Last day for free exchange of existing share
certificates for new share certificates for
the Consolidated Shares Friday, 5 April 2024

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the Change in Board Lot Size and the notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 2 February 2024.

Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Business Day” | 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 |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 2,000 Consolidated Shares upon Share Consolidation becoming effective
“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 Stock Exchange (Stock Code: 0756)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the proposed Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Share Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong

“Shareholder(s)” registered holder(s) of the issued Shares of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 12 January 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, Mr. MA Yu-heng, Ms. YANG Xuping and Mr. ZHONG Shuirong as independent non-executive Directors.