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星美控股
SMI HOLDINGS GROUP LIMITED
星美控股集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 198)

PROFIT WARNING

This announcement is made by SMI Holdings Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the information currently available and the preliminary unaudited consolidated management accounts of the Group, the Group expects to record a loss attributable to the Shareholders for the year ended 31 December 2017, as compared to the profit attributable to the Shareholders for the year ended 31 December 2016.

The expected loss attributable to the Shareholders for the year ended 31 December 2017 is mainly attributable to: (i) the loss recorded by SMI Culture and Travel Group Holdings Limited (Stock code: 2366), a subsidiary of the Company, for the year ended 31 December 2017 due to a reduction of its investment in film production during the year; and (ii) the substantial increase in the impairment of the goodwill of the Group in the year ended 31 December 2017. The Board would like to point out that excluding the impact of the two said items (in particular, the impairment on goodwill being a non-recurring and non-cash item), the Group still recorded a profit for the year ended 31 December 2017 and the business operations of the Group was stable and healthy.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2017. This profit warning announcement is only a preliminary assessment by the Board based on the information currently available, which has not been reviewed by the auditor or the audit committee of the Company and may be subject to changes. Shareholders and potential investors are advised to review carefully the announcement of the Company in relation to the results of the Group for the year ended 31 December 2017, which will be released in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
SMI Holdings Group Limited
WAI Yee Tai
Executive Director and Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the executive Directors are Mr. WAI Yee Tai (Chairman), Mr. YANG Rongbing (Chief Executive Officer), Mr. CHENG Chi Chung, Mr. PAN Jen Kai and Mr. KONG Dalu; the non-executive Director is Mr. HUNG Ka Hai Clement; and the independent non-executive Directors are Mr. PANG Hong, Mr. LI Fusheng and Mr. WONG Shui Yeung.