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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)

**(I) UNAUDITED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018;
(II) DELAY IN PUBLICATION OF INTERIM RESULTS AND DESPATCH
OF INTERIM REPORT; AND
(III) CONTINUED SUSPENSION OF TRADING OF SHARES**

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 (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcement (the “**Announcement**”) of the Company dated 31 March 2019. Capitalized terms used herein shall have the same meaning as those defined in the Announcement unless the context otherwise requires.

UNAUDITED FINANCIAL INFORMATION

The Company was unable to publish the 2018 Annual Results on 31 March 2019. In order to keep the Shareholders and potential investors of the Company informed of the Group’s business operation and financial position, the Board would like to provide the Shareholders and potential investors of the Company the unaudited consolidated financial information for the year ended 31 December 2018 extracted from the draft management accounts of the Group. The following preliminary unaudited consolidated financial information is prepared on the same basis as used in the audited financial statements of the Group for the year ended 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the years ended 31 December 2018 and 2017

	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Audited)
Revenue	1,671,895	3,788,764
Cost of theatre operation and sales	(1,945,378)	(2,810,646)
Gross (loss)/profit	(273,483)	978,118
Other income	64,730	82,474
Other expense	(1,199,590)	(415,306)
Selling and marketing expenses	(20,203)	(55,115)
Administrative expenses	(283,930)	(332,026)
Other gains or losses	(111,404)	87,285
Share of profits & losses of associates	(685)	545
(Loss)/ Profit from operations	(1,824,565)	345,975
Finance costs	(910,189)	(599,250)
Loss before tax	(2,734,754)	(253,275)
Income tax expense	(4,065)	(13,245)
Loss for the year	<u>(2,738,819)</u>	<u>(266,520)</u>
Loss for the year attributable to:		
Owners of the Company	(2,386,763)	(153,734)
Non-controlling interests	<u>(352,056)</u>	<u>(112,786)</u>
	<u>(2,738,819)</u>	<u>(266,520)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2018 and 2017*

	2018 HK\$ '000 (Unaudited)	2017 HK\$ '000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	3,429,577	4,104,792
Goodwill	7,094,824	7,094,692
Intangible assets	22,622	33,161
Purchased license rights	50,913	61,148
Prepaid lease payments	32,752	37,597
Interests in associates	16,497	17,835
Rental deposits	55,065	65,347
Other financial assets measured at amortised cost	-	202,755
Deposits for renovation	1,275,516	168,603
Deposits for acquisition	1,167,505	292,928
Financial assets at fair value through profit or loss	77,064	147,941
Available-for-sale investments	-	66,347
	<hr/> 13,222,335	<hr/> 12,293,146
CURRENT ASSETS		
Inventories	289,950	297,727
Prepaid lease payments	2,730	4,234
Trade and other receivables	2,988,746	1,148,312
Held-for-trading investments	-	61,961
Film rights investment	561,541	810,617
Other loan measured at amortised cost	106,589	126,000
Other financial assets measured at amortised cost	105,125	-
Financial assets at fair value through profit or loss	114,466	-
Amounts due from related parties	66,866	76,624
Pledged bank balances	134,358	149,262
Bank and cash balances	55,589	97,165
	<hr/> 4,425,960	<hr/> 2,771,902

	2018 HK\$ '000 (Unaudited)	2017 HK\$ '000 (Audited)
CURRENT LIABILITIES		
Trade and other payables	4,156,024	1,467,758
Amounts due to director	2,421	-
Amounts due to shareholder	984,840	-
Amounts due to related parties	1,747,552	22,163
Finance lease payables	33,387	90,059
Bank borrowings	49,398	45,411
Other borrowings	870,701	1,336,112
Convertible notes	909,000	907,813
Bonds	1,520,331	1,528,170
Derivative financial instrument	-	14,584
Current tax liabilities	382,301	409,984
Bank overdraft	12,976	-
	<u>10,668,931</u>	<u>5,822,054</u>
NET CURRENT LIABILITIES	<u>(6,242,971)</u>	<u>(3,050,152)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>6,979,364</u>	<u>9,242,994</u>
NON-CURRENT LIABILITIES		
Finance lease payables	21,089	55,142
Bank borrowings	50,180	29,081
Other borrowings	-	631,662
Convertible notes	630,205	10,000
Bonds	825,742	330,989
Deferred tax liabilities	9,462	12,082
	<u>1,536,678</u>	<u>1,068,956</u>
NET ASSETS	<u><u>5,442,686</u></u>	<u><u>8,174,038</u></u>

Shareholders and potential investors should note that the above unaudited consolidated financial information of the Group has not been reviewed by the audit committee of the Company (the “Audit Committee”), nor has it been reviewed or audited by the Company’s auditor. The unaudited consolidated financial information set out above is only based on the preliminary assessment of the Board after reviewing the unaudited management accounts of the Group for the year ended 31 December 2018, and is not based on any other data or information that has been audited or reviewed by the Company’s auditor. The Board cannot guarantee that the unaudited consolidated financial information set out above truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Shareholders and potential investors should note that the Annual Results which is expected to be published by the end of December 2019 may significantly differ from the disclosure in this announcement.

The Company will publish further announcement(s) to inform the shareholders of the Company of the date of the Board meeting to approve the 2018 Annual Results as and when appropriate.

Shareholders and potential investors should exercise extreme caution when considering the unaudited financial information disclosed above and when dealing in the shares of the Company.

DELAY IN PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

Pursuant to Rule 13.49(6) and 13.48(1) of the Listing Rules, the Company is required to publish its preliminary results for the six months ended 30 June 2019 (“**2019 Interim Results**”) not later than 31 August 2019 and despatch its interim report for the same financial period (“**2019 Interim Report**”) to Shareholders on or before 30 September 2019.

The Board announces that, due to the delay of publication of the 2018 Annual Results, there will be a delay in the release of the 2019 Interim Results and the despatch of the 2019 Interim Report. The Board acknowledges that such delay constitutes breaches of Rules 13.49(6) and 13.48(1) of the Listing Rules. It is expected that the Interim Results will be published by the end of February 2020.

The Company will publish further announcement(s) to inform the shareholders of the Company of the date of the Board meeting to approve the 2019 Interim Results and the release of the 2019 Interim Results as and when appropriate.

CONTINUED SUSPENSION OF TRADING OF SHARES

Dealings in the Company’s shares have been suspended with effect from 9:00 a.m. on 3 September 2018. Trading in the shares of the Company will remain suspended until further notice. The Company will keep its shareholders informed of the latest developments by publishing further announcement(s) as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
SMI Holdings Group Limited
Kenneth Jack Shang
Executive Director

Hong Kong, 2 December 2019

As at the date of this announcement, the Board of Directors comprises seven Directors, including Mr. Kenneth Jack Shang and Mr. Zhang Yong as executive Directors, Mr. Jason Chia-Lun Wang and Mr. Peter Torben Jensen as non-executive Directors and Mr. Pang Hong, Mr. Li Fusheng and Mr. Wong Shui Yeung as independent non-executive Directors.