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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)

VOLUNTARY ANNOUNCEMENT

BUSINESS OPERATIONS

Reference is made to the Company's announcement date 7 March 2019 (the "**Preceding Announcement**"). Terms used herein shall have the same meanings as defined in the Preceding Announcement.

The board of directors (the "**Board**") of the Company would like to advise that the Company is continually looking for and negotiating financing and debt restructuring with creditors and investors.

The Board understands from the management of PRC subsidiaries (the "**PRC Management**") that the changes in shareholding in certain subsidiaries of the Group as stated in the article published on 21 December 2018 on the Sina Finance* (新浪財經) website (the "**Article**") was a means to obtain certain bridging loans and with those funds, the PRC Management aim to revitalise the cinema operations and are looking for a turnaround of the business in the interest of the Company and, its secured and unsecured creditors. As announced in the Preceding Announcement, the PRC Management reported that it is a common financing arrangement in the PRC. The Board have already engaged PRC lawyer to provide legal opinion and comfort letter to the relevant parties in doubt.

DEBT REFINANCING

The Board would like to update the market that the Group has principally agreed on the terms and conditions of a Letter of Intent and a Memorandum of Understanding with certain creditors and believe they will soon be materialised. The Company will make further announcements in a few days.

By order of the Board of
SMI Holdings Group Limited
William Wing-Yan LO, JP
Chairman

Hong Kong, 8 March 2019

* *For identification purpose only*

As at the date of this announcement, the Board of Directors comprises six Directors, including Dr. William Wing-Yan Lo, JP, Mr. Kenneth Jack Shang and Mr. Wai Yee Tai as executive Directors and Mr. Pang Hong, Mr. Li Fusheng and Mr. Wong Shui Yeung as independent non-executive Directors.