

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
UPDATES ON RECENT DEVELOPMENTS

References are made to the announcements of the SMI Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 7 March 2019 and 8 March 2019 (the “**Announcements**”) in relation to, among others, debt restructuring of the Group. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Group has been proactively negotiating and discussing with the lenders and creditors in relation to the possibility of providing additional funding to the Group as well as the possible settlement arrangements, including the conversion of their debts or a portion thereof into equity of the Company.

In this regard, the Board wishes to announce that, on 12 March 2019 (after trading hours), the Company has agreed with certain creditors and minority shareholders of a non-wholly-owned subsidiary of the Company:

- (i) Letters of intent with the existing minority shareholders in relation to the investment in the Company in the amount of RMB1,950 million; and
- (ii) Letters of intent with creditors in relation to the conversion of outstanding debt of approximately HK\$2,435 million into Shares.

The Company has entered into a memorandum of understanding with a potential investor in relation to the subscription of Shares with a total subscription amount of US\$200,000,000 at a subscription price of not less than HK\$1.80 per Share.

Total interest-bearing debts amount of the Group was accounted for approximately HK\$6,000 million as at 31 December 2018.

The Group will continue to negotiate with other parties proactively for the debt restructuring of the Group. The Board is of the view that the overall debt restructuring proposal of the Group, which includes the potential transactions mentioned above and other restructuring activities under negotiation, if materialised, could significantly reduce the debt of the Group and enable it to return to normal operation.

The Board wishes to emphasize that the letters of intent and memorandum of understanding mentioned above are not legally binding and the transactions contemplated therein may or may not proceed.

The Company will make further announcement(s) in accordance with the Listing Rules and the Inside Information Provisions as and when necessary in relation to any material development in connection with the above matters. Shareholders of the Company and investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 March 2019

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.