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**SMI Culture & Travel Group Holdings Limited**  
**星美文化旅遊集團控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 2366)**

**ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it has on 31 December 2019 adopted the Share Award Scheme, which is an incentive measure with a view to aligning the interests of Selected Employees directly to that of the Shareholders' through ownership of Shares, and thereby encouraging employees' further contribution to the Group.

The Award Shares are unconditional awards to the Selected Employees in addition to their normal salary. The subscription money for the Award Shares will be fully paid from the resource of the Group.

The Award Shares will be issued pursuant to a general mandate granted by Shareholders at the Company's annual general meeting held on 25 June 2019. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and the permission to deal in, the Award Shares.

The Board is pleased to announce that it has adopted the Share Award Scheme on the Adoption Date. A summary of some of the principal terms of the Share Award Scheme is set out below:

**THE SHARE AWARD SCHEME**

**Purpose of the Share Award Scheme and duration**

The Share Award Scheme has been adopted as an incentive measure with a view to aligning the interests of Selected Employees directly to that of the Shareholders' through ownership of Shares, and thereby encouraging employees' further contribution to the Group.

The Directors consider that the terms of the Share Award Scheme are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Share Award Scheme does not constitute a share option scheme of the Company for the purpose of Chapter 17 of the Listing Rules.

### **Administration**

The Share Award Scheme shall be subject to the administration of the Board in accordance with the rules of the Share Award Scheme. The decisions of the Board as to all matters relating to the Share Award Scheme or its interpretation shall be final and binding.

### **Grantees under the Share Award Scheme and particulars of issuance**

All Selected Employees who are in employment with the Group are entitled to Award Shares PROVIDED THAT no connected persons of the Company and their associates shall be eligible to participate in the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Board may at its absolute discretion select participants as Selected Employees for participation in the Share Award Scheme and determine the allocation of the Award Shares.

The Award Shares are unconditional awards to the Selected Employees in addition to their normal salary.

The subscription money for the Award Shares will be fully paid by member(s) of the Group and the Selected Employees are not required to contribute any subscription money after confirming acceptance and accordingly, no funds will be raised for the Group as a result of the allotment and issue of the Award Shares.

The Awards Shares, once issued, will rank equal to all other Shares in issue at that time and the Award Shares are not subject to any vesting condition. The Selected Employees will therefore have the right to receive dividends on the Awards Shares, dispose of the Award Shares and/or exercise the rights underlying the Award Shares as per his/her own wishes once they are issued.

### **Issue price and number of Award Shares to be issued**

The closing price of the Shares of HK\$0.169 has been adopted as the issue price of the Award Shares under the Share Award Scheme. It represents:

- (i) no premium over or discount to the closing price of the Shares of HK\$0.169 as at the Adoption Date;
- (ii) a discount of approximately 4.30% to the average closing price in the 5 consecutive trading days immediately prior to the Adoption Date; and
- (iii) a discount of approximately 3.04% to the average closing price in the 10 consecutive trading days immediately prior to the Adoption Date.

The Board shall not make any further Award Shares which will result in the total number of the Shares awarded under the Share Award Scheme exceeding 263,200,000 Award Shares, representing approximately 20.00% of the total number of Shares in issue as at the Adoption Date, and 18.18% of the total number of issued Shares on an as-enlarged basis assuming no other changes to the number of Shares in issue.

The maximum number of Award Shares which may be awarded to a Selected Employee under the Share Award Scheme shall not exceed 1% of the total number of issued share of the Company as at the Adoption Date.

At the Company's annual general meeting held on 25 June 2019, the Shareholders granted the Board a general mandate pursuant to an ordinary resolution passed at the meeting, authorizing the Board to allot and issue a maximum of 263,201,869 Shares. The Award Shares are to be issued under the said general mandate, which has not yet been utilized since the date of its grant, and accordingly, the issuance of the Award Shares under the Share Award Scheme does not require separate approval by the Shareholders.

## **TERMINATION**

Unless early terminated by the Board, the Share Award Scheme shall be valid and effective for a term of 3 months commencing on the Adoption Date.

## **GENERAL**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and the permission to deal in, the Award Shares.

The Company has not undertaken any fundraising by way of issue of equity securities during the 12 months immediately preceding the date of this announcement.

The Award Shares under the Share Award Scheme will not be issued to connected persons of the Company and their associates. The Award Shares do not form part of any other equity incentives scheme of the Company. The Directors place great emphasis on the Group's employees and therefore are open to providing further incentive in the form of equity in the future based on the Company's performance. Such incentive will only be made under programs other than the Share Award Scheme.

## **DEFINITIONS**

“Adoption Date”	31 December 2019
“associate”	has the meaning ascribed to it under the Listing Rules
“Award Shares”	such number of Shares determined by the Board to be awarded to the Selected Employees pursuant to the Share Award Scheme
“Board”	the board of Directors

“Company”	SMI Culture & Travel Group Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries (within the meaning of the Companies Ordinance (Chapter 622 of the Laws 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
“Selected Employee(s)”	Employee(s) of any member of the Group as selected by the Board in its discretion to be eligible to participate in the Share Award Scheme who is/are not a connected person or its associates, and whose employment with the Group is/are not subject to contractual renewal or the subject of any employment termination notice as at the date of grant of the Award Shares
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Award Scheme”	the employee share award scheme of the Company adopted by the Board on the Adoption Date
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

On behalf of the Board  
**SMI Culture & Travel Group Holdings Limited**  
**Chen Wenbo**  
*Executive Director*

Hong Kong, 31 December 2019

*As at the date of this announcement, the executive Directors are Mr. Wu Chien-Chiang (Chairman), Mr. Li Kai, Mr. Fan Jiadong and Mr. Chen Wenbo; and the independent non-executive Directors are Mr. Rao Yong, Mr. Liu Xianbo, Mr. Zhao Xuebo and Mr. Wong Shui Yeung.*