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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)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09(2) OF THE LISTING RULES AND INSIDE INFORMATION
PROVISIONS OF PART XIVA OF THE SECURITIES AND FUTURES
ORDINANCE
AND
RESUMPTION IN TRADING**

This announcement is made by SMI Culture & Travel Group Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

Reference is made to the joint announcement of the Company and SMI Holdings Group Limited dated 13 January 2020 (the “**Announcement**”) in relation to the appointment of an interim receivers (the “**Receivers**”) over 829,185,517 shares in the Company (the “**Shares**”) held and owned by SMI Investment (HK) Limited, the parent company of the Company but charged to Emperor Securities Limited by way of a share and deposit charge (“**Charged Shares**”). The Charged Shares represent 52.5% of the issued share capital of the Company as at the date of this announcement. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

POSSIBLE CONDITIONAL VOLUNTARY GENERAL OFFER

The board of directors of the Company (the “**Board**”) received a non-legally binding letter (the “**Letter**”) from Time Oasis Limited (the “**Offeror**”), a wholly-owned subsidiary of Emperor Culture Group Limited with its shares listed on the Main Board of the Stock Exchange (Stock Code: 491), on 24 February 2020 (after trading hours) informing that the Offeror is in negotiation

with the Receivers for the possible acquisition of all or certain of the Charged Shares received by them and once the Offeror concluded its negotiation with the Receivers, it may incur an obligation to conduct a general offer (the “**Offer**”) for all the issued shares and relevant securities of the Company (other than those which may be acquired or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to the Takeovers Code. For the purpose of such negotiation it would also conduct due diligence on the Shares received by the Receivers, and the condition of the business and financial performance of the Company as well as to ascertain the position of the major creditors of the Company and the possibility of restructuring of the debts or debt securities owned by the Company to them.

As mentioned in the Letter, in the event that no acquisition of Shares from the Receivers is concluded or a percentage of Shares falls short of triggering a mandatory general offer is acquired, the Offeror might nevertheless make a voluntary offer for the Shares and other securities of the Company pursuant to the Takeovers Code (“**Possible Voluntary Offer**”). In the event that the Offer will be made on a voluntary basis, the closing thereof may be subject to certain conditions which may include but not limited to:

1. Valid acceptances of the Possible Voluntary Offer being received (and not, where permitted withdrawn) by 4:00 pm on the closing date of the Possible Voluntary Offer in respect of such number of Shares which together with Shares already acquired or to be acquired before or during the Possible Voluntary Offer, will result in the Offeror and the parties acting in concert with it together holding more than a certain percentage of the voting rights of the Company to be determined at the time of making of the Possible Voluntary Offer;
2. The Shares remaining listed and traded on the Stock Exchange save for any temporary suspension(s) of trading in the Shares as a result of the Possible Voluntary Offer and no indication being received from the Securities and Futures Commission of Hong Kong and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
3. No event having occurred which would make the Possible Voluntary Offer or the acquisition of any of the Shares under the Possible Voluntary Offer void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Possible Voluntary Offer; and
4. No relevant authorities in Hong Kong and Bermuda having taken or instigated any action, proceedings, suit, investigation or enquiry, or enacted any statute, regulation, demand or order that would make the Possible Voluntary Offer or the acquisition of any of the Shares under the Possible Voluntary Offer void, unenforceable or illegal.

In the event that the Offeror decided to make the Possible Voluntary Offer, it may set other conditions or modify the above-mentioned conditions and also reserve the rights to set other conditions precedent which are identified during the negotiation and due diligence process and decide any one or more of the conditions to be capable of being waived.

DISCLOSURE OF DEALINGS

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the share capital of the Company comprises 1,579,209,349 issued Shares. Other than the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

The respective associates of the Company (including, among others, shareholders of the Company holding interests of 5% or more in the relevant securities of the Company) and the offeror are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) should be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer under the Takeovers Code is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement, being 26 February 2020.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION IN TRADING IN THE SHARES

Trading in the Shares has been halted with effect from 9:00 a.m. on 25 February 2020. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 February 2020.

Shareholders and potential investors of the Company should be aware that the Offer or the Possible Voluntary Offer may or may not proceed. Shareholders and/or potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 26 February 2020

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

The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.