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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)

**MONTHLY PROGRESS UPDATE
ON POSSIBLE CONDITIONAL VOLUNTARY GENERAL OFFER
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

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**”). Reference is made to the joint announcement of the Company and SMI Holdings Group Limited dated 13 January 2020 and the announcement of the Company dated 26 February 2020 (the “**Announcements**”). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board has been informed by the Offeror that further to the Letter dated 24 February 2020, which set out the intention of the Offeror to acquire the interests in the Company (together with its subsidiaries, the “**Group**”) and commencement of negotiation between the Offeror and the Receivers for the acquisition of all or certain of the Charged Shares, the Offeror has sent to the Receivers and the Company a documentation request list in order to facilitate the due diligence review on the Charged Shares as well as the Company. The Company understood that the discussion with the Receivers and due diligence process for the Charged Shares are on-going. Also, the Company understood that the Offeror is in the process to review available information and is preparing to make further request for more information before considering the terms of Possible Voluntary Offer.

The Company also understood that the Offeror is in the process to ascertain the position with the major creditors of the Group in the meantime and the possibility of restructuring the debts or debt securities owed by the Group to them. The management of the Company has provided certain liabilities information for due diligence purpose, and demanded extra time to organize those outstanding information.

MONTHLY ANNOUNCEMENTS

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

WARNINGS: Shareholders of the Company and/or potential investors should be aware that the Possible Voluntary Offer may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares, as there is no certainty that the Possible Voluntary Offer will proceed, and, even if the Possible Voluntary Offer proceeds, there is no certainty that the Possible Voluntary Offer will result in a change of control and lead to a general offer under Rule 26.1 of Takeovers Code. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

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

Hong Kong, 25 March 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; non-executive Director is Mr. Chow Wai Shing Daniel; 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.