

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)

(In Liquidation)

**INSIDE INFORMATION
UPDATES ON RECENT DEVELOPMENTS
CONTINUED SUSPENSION OF TRADING IN THE SHARES**

This announcement is published by SMI Holdings Group Limited (In Liquidation) (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 3 September 2018, 14 September 2018, 21 September 2018, 6 December 2018, 24 December 2018, 7 March 2019, 9 April 2019, 2 June 2019, 2 September 2019, 2 December 2019, 3 March 2020 and 12 June 2020 (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements. The Joint and Several Liquidators of the Company (the “**JSLs**”) provide herewith an update on certain recent developments of the Group on the basis of information made available:

1. Liquidation status

Reference is made to the announcements of the Company dated 8 May 2020, 15 May 2020 and 12 June 2020, the Company was ordered to be wound up by the High Court of Hong Kong pursuant to a Winding-up Order dated 7 May 2020 and the appointment of the JSLs was made pursuant to a Regulating Order dated 12 May 2020.

The JSLs are looking into the affairs of the Company, as well as taking steps to review and preserve businesses of its subsidiaries where possible. Upon preliminary review of available books and records of the Company, the JSLs are reviewing certain book debt transactions with cash outflow of HK\$104 million in total from the Company and its major subsidiary, with the assistance of solicitors engaged to assess the legal merits of these debts to pursue the debts.

Upon the making of the Winding-Up Order, directors of the Company are required under the laws to prepare and submit to the JSLs within 28 days a Statement of Affairs of the Company up to the date of making of the Winding-Up Order (i.e. 7 May 2020). As a result of the recent departure of certain staff members in support of the accounting functions from the Group, the Chairman and Executive Director of the Company has sought an extension of time until 21 October 2020 to submit the Company's Statement of Affairs.

The Company will make further announcement if and when there is any material development of the progress of winding-up.

2. Financial position and business operations

References are made to the announcements of the Company dated 28 February 2020, 3 March 2020 and 12 June 2020 in relation to the Group's operation of approximately 330 movie theatres in the People's Republic of China (the "PRC").

Insofar as the cinema business is concerned, information revealed to the JSLs from certain PRC local government circulars in Guangdong Province, Shanghai City and Ningbo City showed that cinemas in areas which are subject to a relatively low risk of the Covid-19 coronavirus pandemic have been gradually resuming cinemas operations. It was noted that currently 13 cinemas of the Group have resumed their businesses and 73 cinemas are preparing for re-opening in October 2020. From the limited information made available online, the JSLs observed that 17 cinemas of the Group are open for online movie tickets booking services. Resumption of other cinemas

operations is highly dependent on the development of the coronavirus and notification of change of local government policies. The Company will make further announcements as soon as it is practicable to do so.

References are made to the announcements of the Company dated 7 March 2019, 8 March 2019, 3 March 2020 and 12 June 2020 in relation to the changes in shareholding in certain subsidiaries of the Group. The Company announced to have engaged PRC legal advisors to ascertain the shareholding of its subsidiaries in the PRC. To the best knowledge of the JSLs, the relevant PRC legal advice is yet to be issued by the PRC legal advisors. The Company will make further announcement as and when appropriate and as required by the Listing Rules and/or the Inside Information Provisions.

3. Publication of outstanding financial results

To the best knowledge of the JSLs, our understanding is that the auditors of the Company have substantially completed their audit field work of the financial statements of the Group for the year ended 31 December 2018. Subject to the availability of outstanding information as required by the auditors and payment of outstanding audit fees, the Company is targeting to publish its 2018 annual report.

4. Possible disposal

References are made to the announcements of the Company dated 11 September 2019, 3 March 2020 and 12 June 2020 regarding a non-binding memorandum of understanding (the “**MOU**”) entered into between the Company (as vendor) with SMI Culture & Travel Group Holdings Limited (as purchaser) (“**SMIC**”) in respect of the mutual intentions on the possible disposal of (i) all equity interests beneficially held by the Company in its subsidiary, 成都潤運文化傳播有限公司 (Chengdu Runyun Culture Broadcasting Limited), which is indirectly beneficially owned by the Company and (ii) all other cinemas interests in the PRC beneficially owned by the Group (the “**Possible Disposal**”).

To the best knowledge of the JSLs, no formal agreement has been entered into between the parties in relation to the Possible Disposal to-date. Further announcement(s) of this matter will be made by the Company as and when appropriate and the Company will comply with all applicable requirements under the Listing Rules as and when necessary.

According to the announcements dated 26 February 2020, 25 March 2020, 24 April 2020, 25 May 2020, 26 June 2020, 24 July 2020 and 25 August 2020 made by SMIC, Time Oasis Limited, a direct wholly-owned subsidiary of the Emperor Culture Group Limited (the “**Potential Purchaser**”) issued a letter of intent to the Receivers, which sets out the intention of the Potential Purchaser to acquire certain interests in SMIC. According to the announcement of SMIC dated 25 August 2020, the due diligence review conducted by the Potential Purchaser and negotiations between the Potential Purchaser and the Receivers for the acquisition of all or certain of the Charged Shares are still ongoing.

5. Debt restructuring

References are made to the announcements of the Company dated 6 December 2018, 7 March 2019, 3 March 2020 and 12 June 2020. The Company announced that the Group has been 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. To the best knowledge of the JSLs, no agreement or material terms in relation to the above arrangements have been entered into or agreed between the Group and its lenders or creditors to-date. Instead, there are certain parties which have indicated their preliminary interests in the cinema businesses of the Company and its subsidiaries but the JSLs have not received any term sheets to assess this business offer as of the date of this announcement. The Company will make further announcement as and when appropriate and as required by the Listing Rules and/ or the Inside Information Provisions.

6. Corporate bond

As announced by the Company on 27 March 2018, 3 March 2020 and 12 June 2020, the Group received subscription offers from financial institutions regarding the issuance of bonds with an aggregate principal amount of not more than RMB1,000,000,000 with a term of not more than three years (the “**Bonds**”) proposed to be listed on the Shenzhen Stock Exchange. To the best knowledge of the JSLs, the Company has not received any further update from the China Securities Regulatory Commission to-date. As a result of the winding-up of the Company, the issuances of the Bonds have been fallen through. The Company will publish further announcement(s) in relation to the Bonds and comply with all other applicable requirements under the Listing Rules as and when necessary.

7. Application for a Review Request of the Decision of the Listing Committee

Reference is made to the Company's announcements dated 21 September 2018 and 9 April 2019 in relation to the guidance for resumption of trading of the shares of the Company imposed on the Company by the Stock Exchange, and announcements dated 22 May 2020 and 12 June 2020 in relation to the application to the Listing Review Committee of the Stock Exchange seeking a review of the Listing Decision pursuant to Rule 2B.08(1) of the Listing Rules.

On 26 June 2020, the Company sought an extension of the deadline for submitting its written submissions to the Listing Review Committee, and the Listing Review Committee granted an extension to 31 August 2020. On 31 August 2020, the Company sought a further extension of the deadline, and the Listing Review Committee granted a further extension to 15 September 2020 for the Company to submit its written submissions.

The Company will make further announcement if and when there is any material development.

CONTINUED SUSPENSION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 3 September 2018 and will remain suspended until further notice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

For and on behalf of
SMI Holdings Group Limited
(In Liquidation)
Hou Chung Man
Kan Lap Kee
Joint and Several Liquidators
acting as agents of the Company without
personal liabilities

Hong Kong, 10 September 2020

As at the date of this announcement, the Board of Directors comprises seven Directors, including Mr. Kenneth Jack Shang and Mr. Zhang Yong as executive Directors, Mr. Jason Chia-Lun Wang and Mr. Peter Torben Jensen as non-executive Directors and Mr. Pang Hong, Mr. Li Fusheng and Mr. Wong Shui Yeung as independent non-executive Directors