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SMI Culture Group Holdings Limited

星美文化集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2366)

- (A) SUPPLEMENTAL AGREEMENT
TO THE ACQUISITION AGREEMENT;**
- (B) EXTENSION LETTER TO THE UNDERWRITING AGREEMENT;**
- (C) EXTENSION LETTER TO THE IRREVOCABLE UNDERTAKING; AND**
- (D) REVISED TIMETABLE RELATING TO**
- (1) MAJOR AND CONNECTED TRANSACTION IN RESPECT OF
THE ACQUISITION OF 35% EQUITY INTEREST IN AND
SHAREHOLDER'S LOANS TO GRAND ASTUTE LIMITED;**
- (2) PROPOSED CHANGE OF DOMICILE;**
- (3) PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT;**
- (4) PROPOSED CAPITAL REORGANISATION; AND**
- (5) PROPOSED RIGHTS ISSUE ON THE BASIS OF 8 RIGHTS SHARES
FOR EVERY 1 NEW SHARE HELD ON THE RECORD DATE**

References are made to the announcement of SMI Culture Group Holdings Limited (the “**Company**”) dated 8 August 2014 (the “**Announcement**”) in respect of, among other things, the Acquisition, the Change of Domicile, the Cancellation of Share Premium Account, the Capital Reorganisation and the Rights Issue, and the announcements of the Company dated 5 September 2014 and 13 October 2014 respectively in respect of the delay in despatch of the Circular. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

SUPPLEMENTAL AGREEMENT TO THE ACQUISITION AGREEMENT

On 24 October 2014, the Purchaser, the Vendor and Mr. Qin entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend certain terms in the Acquisition Agreement. The principal amendments contemplated under the Supplemental Agreement are summarised below:

Amendment to condition precedent

Pursuant to the Supplemental Agreement, the parties thereto agreed that the condition precedent to the Acquisition Completion as set out in (viii) in the Announcement which states “novation of the loan due to China Minsheng Banking Corporation Limited (“**CMBC**”) by 世紀全信科技產業發展有限公司 (Century Quan Xin Technology Development Company Limited*) (“**Century QX**”) pursuant to the loan agreement entered into between CMBC and Century QX from CMBC to Stellar Mega having been completed” be removed and replaced by the following conditions precedent:

- (a) the Target Group having repaid all the loan amounts as set out under the settlement agreement entered into in May 2014 between Stellar Mega and CMBC in relation to the settlement of a loan in the principal amount of RMB90,000,000 and the settlement agreement entered into in May 2014 between Century QX, Stellar Mega and CMBC in relation to the settlement of a loan in the principal amount of RMB130,000,000; and
- (b) Stellar Mega, 上海久盛投資有限公司 (Shanghai Jiu Sheng Investment Company Limited*) and Mr. Qin having entered into a repayment agreement (the “**Repayment Agreement**”) in form and substance satisfactory to the Purchaser and completed the transactions contemplated thereunder (save and except for the settlement of the relevant interest by Mr. Qin quarterly as stipulated under the Repayment Agreement).

Extension of long stop dates

The long stop dates set out in the Acquisition Agreement have been extended, such that if any of the conditions precedent to the Acquisition Completion set out in (i), (ii), (iii), (iv), (vi), (vii), (ix) and (x) in the Announcement and the newly added conditions precedent to the Acquisition Completion set out in the paragraph above is not fulfilled or waived (as the case may be) by 2 January 2015 and/or the condition precedent to the Acquisition Completion set out in (v) in the Announcement is not fulfilled by 26 January 2015 (in each case, or such later date as the Purchaser, the Vendor and Mr. Qin may agree in writing), the Acquisition shall terminate and none of the parties to the Acquisition Agreement shall have any further obligations towards the other thereunder except for antecedent breaches (if any).

Save as disclosed above, the other key terms of the Acquisition Agreement and the Acquisition as set out in the Announcement remain unchanged.

EXTENSION LETTER TO THE IRREVOCABLE UNDERTAKING

On 24 October 2014, the Company, SMI Investment and the Underwriter entered into an extension letter to the Irrevocable Undertaking, such that the parties thereto agreed to extend the latest time for satisfying the conditions precedent to the Subscription Undertaking from 11 November 2014 to 2 January 2015.

* *For identification purpose only*

Save as the above-mentioned, the other terms and conditions of the Irrevocable Undertaking remain in full force and effect.

EXTENSION LETTER TO THE UNDERWRITING AGREEMENT

On 24 October 2014, the Company and the Underwriter entered into an extension letter to the Underwriting Agreement to extend the latest time for satisfying the conditions of the Rights Issue set out in (i), (vii) and (ix) in the Announcement from 11 November 2014 to 2 January 2015.

Save as the above-mentioned, the other key terms of the Underwriting Agreement remain unchanged.

REVISED EXPECTED TIMETABLE

As stated in the announcement of the Company dated 13 October 2014, as additional time is required by the Company to finalise certain information in the Circular, the expected date of despatch of the Circular has been postponed to a date falling on or before 31 October 2014. The revised expected timetable for the Acquisition, the Change of Domicile, the Cancellation of Share Premium Account, the Capital Reorganisation, the Rights Issue and the associated trading arrangement is set out as below:

Despatch of the Circular, proxy form and notice of EGM	Monday, 27 October 2014
Latest time for return of form of proxy for the EGM	10:00 a.m. on Wednesday, 19 November 2014
Expected time and date of the EGM	10:00 a.m. on Friday, 21 November 2014
Announcement of poll results of the EGM	Friday, 21 November 2014
Expected effective date of the Cancellation of Share Premium Account (<i>Note</i>)	Friday, 21 November 2014
Expected effective date of the Change of Domicile	Friday, 5 December 2014 (Bermuda Time)
Expected effective date of the Capital Reorganisation	Monday, 29 December 2014
First day for free exchange of existing certificates for Existing Shares into new certificates for the New Shares	Monday, 29 December 2014
Commencement of dealing in the New Shares	9:00 a.m. on Monday, 29 December 2014
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificate) temporarily closes	9:00 a.m. on Monday, 29 December 2014

Temporary counter for trading in the New Shares in board lots of 2,500 New Shares (in the form of existing share certificate) opens	9:00 a.m. on Monday, 29 December 2014
Last day of dealing in the New Shares on a cum-rights basis . . .	Monday, 29 December 2014
Commencement of dealing in the New Shares on an ex-rights basis	9:00 a.m. on Tuesday, 30 December 2014
Latest time for lodging transfer of the New Shares in order to be qualified for the Rights Issue	4:30 p.m. on Friday, 2 January 2015
Register of members closes to determine entitlements under the Rights Issue (both dates inclusive)	Monday, 5 January 2015 to Tuesday, 6 January 2015
Record Date for the Rights Issue	Tuesday, 6 January 2015
Register of members re-opens	Wednesday, 7 January 2015
Despatch of the Prospectus Documents.	Wednesday, 7 January 2015
First day of dealing in the nil-paid Rights Shares	Friday, 9 January 2015
Original counter for trading in the New Shares in board lots of 5,000 New Shares (in the form of new share certificate) re-opens	9:00 a.m. on Tuesday, 13 January 2015
Parallel trading in the New Shares (in the form of new share certificate and existing share certificate) commences	9:00 a.m. on Tuesday, 13 January 2015
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Tuesday, 13 January 2015
Latest time for splitting the nil-paid Rights Shares	4:30 p.m. on Tuesday, 13 January 2015
Last day of dealing in the nil-paid Rights Shares	Friday, 16 January 2015
Latest time for acceptance of and payment for the Rights Shares and application for the excess Rights Shares	4:00 p.m. on Wednesday, 21 January 2015
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Monday, 26 January 2015
Acquisition Completion Date	Monday, 26 January 2015
Announcement of results of the Rights Issue	Tuesday, 27 January 2015

Despatch of refund cheques for wholly and partially unsuccessful applications for the excess Rights Shares Wednesday, 28 January 2015

Despatch of certificates for the fully-paid Rights Shares Wednesday, 28 January 2015

Expected time and date for the commencement of dealing in the fully-paid Rights Shares 9:00 a.m. on Thursday, 29 January 2015

Temporary counter for trading in the New Shares in board lots of 2,500 New Shares (in the form of existing share certificate) closes 4:00 p.m. on Monday, 2 February 2015

Parallel trading in the New Shares (in the form of new share certificate and existing share certificate) ends 4:00 p.m. on Monday, 2 February 2015

Last day for the designated broker to provide matching services for odd lots of the New Shares 4:00 p.m. on Monday, 2 February 2015

Last day for free exchange of existing share certificates for the Existing Shares into new share certificates for the New Shares Wednesday, 4 February 2015

Save as specified above, all dates and times set out in the timetable above refer to Hong Kong time.

Note: The Cancellation of Share Premium Account shall become effective upon passing of the relevant special resolution at the EGM.

By order of the Board
SMI Culture Group Holdings Limited
Hao Bin
Chairman & Executive Director

Hong Kong, 24 October 2014

As at the date of this announcement, the executive Directors are Mr. Hao Bin, Mr. Yuan Xin, Mr. Chan Chi To, Antony and Mr. Kong Dalu, the non-executive Directors are Mr. Chi Chenxi and Ms. Hu Gin Ing, and the independent non-executive Directors are Mr. Du Jiang, Mr. Liu Xianbo, Mr. Wu Chien-Chiang and Mr. Jiang Jinsheng.