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星美文化

SMI Culture Group Holdings Limited

星美文化集團控股有限公司

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

(Stock Code: 2366)

**(I) CHANGE OF DOMICILE, REGISTERED OFFICE ADDRESS,
PRINCIPAL SHARE REGISTRAR AND
SHARE TRANSFER AGENT;
(II) ADOPTION OF NEW MEMORANDUM OF
CONTINUANCE AND BYE-LAWS
AND
(III) UPDATE ON CAPITAL REORGANISATION**

CHANGE OF DOMICILE, REGISTERED OFFICE ADDRESS, PRINCIPAL SHARE REGISTRAR AND SHARE TRANSFER AGENT AND ADOPTION OF NEW MEMORANDUM OF CONTINUANCE AND BYE-LAWS

The Board is pleased to announce that with effect from 23 January 2015 (Bermuda Time), (i) the Company has been deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda; (ii) the registered office of the Company has been changed to Clarendon House, 2 Church Street, Hamilton HM11, Bermuda; and (iii) Codan Services Limited of Clarendon House, 2 Church Street, Hamilton HM11 Bermuda has been appointed as the principal share registrar and share transfer agent of the Company in Bermuda. Union Registrars Limited remains as the Company's branch share registrar and transfer office in Hong Kong.

In connection with the Change of Domicile, the new memorandum of continuance and by-laws of the Company have been adopted by the Company with effect from 23 January 2015 (Bermuda Time).

UPDATE ON CAPITAL REORGANISATION

After the Capital Reorganisation becoming effective, which is expected to be on 13 February 2015, (i) the par value of each Existing Share shall be re-denominated from US\$0.10 to HK\$0.78; (ii) the par value of each issued Adjusted Share shall be reduced from HK\$0.78 to HK\$0.01 by cancelling the capital paid up thereon to the extent of HK\$0.77 on each of the issued Adjusted Shares; and (iii) all the authorised but unissued share capital of the Company shall be cancelled and the authorised share capital of the Company shall be increased to HK\$1,000,000,000 divided into 100,000,000,000 New Shares.

Subject to the Capital Reorganisation becoming effective, Shareholders may submit share certificates of the Existing Shares which are in orange colour to the Company's branch share registrar and transfer office in Hong Kong for exchange, at the expense of the Company, for share certificates of the New Shares in blue colour from 13 February 2015 to 23 March 2015 (both dates inclusive).

The expected timetable for the Capital Reorganisation as set out in the Circular is extracted in this announcement for easy reference.

Reference is made to (i) the circular of SMI Culture Group Holdings Limited (the "Company") dated 17 December 2014 in respect of, among others, the proposed Change of Domicile, the proposed Cancellation of Share Premium Account and the proposed Capital Reorganisation (the "Circular"); and (ii) the poll results announcement of the Company dated 9 January 2015. Unless otherwise specified herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

CHANGE OF DOMICILE, REGISTERED OFFICE ADDRESS, PRINCIPAL SHARE REGISTRAR AND SHARE TRANSFER AGENT AND ADOPTION OF NEW MEMORANDUM OF CONTINUANCE AND BYE-LAWS

The Board is pleased to announce that with effect from 23 January 2015 (Bermuda Time), the Company has been deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda and with effect from such date, the registered office of the Company has been changed to Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

Codan Services Limited of Clarendon House, 2 Church Street, Hamilton HM11, Bermuda has been appointed as the principal share registrar and share transfer agent of the Company in Bermuda.

Union Registrars Limited of A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong remains as the Company's branch share registrar and transfer office in Hong Kong.

In connection with the Change of Domicile, the new memorandum of continuance and bye-laws of the Company have been adopted by the Company with effect from 23 January 2015 (Bermuda Time).

UPDATE ON CAPITAL REORGANISATION

After the Change of Domicile becoming effective on 23 January 2015 (Bermuda Time), the Capital Reorganisation will be implemented in the following manner:

- (i) the authorised and issued Existing Shares be re-denominated (at the exchange rate of US\$1.0 to HK\$7.8) to HK\$780,000,000 and HK\$438,794,993.52, respectively, such that the par value of each Existing Share will be changed from US\$0.10 to HK\$0.78;
- (ii) the par value of each issued Adjusted Share be reduced from HK\$0.78 to HK\$0.01 by cancelling the capital paid-up thereon to the extent of HK\$0.77 on each of the issued Adjusted Shares;
- (iii) all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) be cancelled and forthwith upon such cancellation, the authorised share capital of the Company be increased to HK\$1,000,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$1,000,000,000 divided into 100,000,000,000 New Shares;
- (iv) the credits arising from the Capital Reduction, which amounted to approximately HK\$433,169,417 based on the number of the Existing Shares in issue as at the date of this announcement, be transferred to the Contributed Surplus Account; and
- (v) the amount standing to the credit of the Contributed Surplus Account be applied to set off the accumulated losses of the Company by the amount of such credit or be applied in any other manner as may be permitted under the bye-laws of the Company and all applicable laws of Bermuda.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the Change of Domicile becoming effective;
- (ii) the passing of the necessary special resolution by the Shareholders approving the Capital Reorganisation at the EGM;
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue upon the Capital Reorganisation becoming effective;
- (iv) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the date of this announcement, conditions (i) and (ii) above have been fulfilled. The special resolution relating to (ii) above was passed at the EGM and the Change of Domicile has become effective on 23 January 2015 (Bermuda Time).

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the Capital Reorganisation becoming effective, the Existing Share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 23 March 2015 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share certificates will continue to be good evidence of legal title to the New Shares on the basis of one Existing Share for one New Share.

The Existing Share certificates will be exchanged free of charge for the New Share certificates between 9:00 a.m. and 4:30 p.m. on any business day from 13 February 2015 to 23 March 2015 (both days inclusive) at Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. Thereafter, the Existing Share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each Existing Share certificate cancelled or each New Share certificate issued, whichever the number of certificates cancelled/issued is higher. It is expected that New Share certificates will be available for collection within 10 business days after the submission of the Existing Share certificates for exchange. The New Share certificates will be in blue colour so as to be distinguished from the Existing Share certificates which are in orange colour.

EXPECTED TIMETABLE FOR THE CAPITAL REORGANISATION

In light of the Change of Domicile becoming effective, the expected timetable for the implementation of the Capital Reorganisation as set out in the Circular is extracted and set out as follows:

Effective date of the Change of Domicile Friday, 23 January 2015
(Bermuda Time)

Expected effective date of the Capital Reorganisation Friday, 13 February 2015

Commencement of dealing in New Shares 9:00 a.m. on Friday,
13 February 2015

First day for free exchange of existing certificates for the
Existing Shares into new certificates for the New Shares Friday, 13 February 2015

Last day for free exchange of existing certificates for the
Existing Shares into new certificates for the New Shares Monday, 23 March 2015

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

Dates set out above are on the assumption that the Capital Reorganisation will become unconditional and effective in accordance with the timetable indicated above. All such dates may be subject to change depending on the actual effective date of the Capital Reorganisation. The Company will make further announcement if there are any changes to the timetable.

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

Hong Kong, 26 January 2015

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; and the independent non-executive directors are Mr. Du Jiang, Mr. Liu Xianbo, Mr. Wu Chien-Chiang and Mr. Jiang Jinsheng.