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**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)**

**VOLUNTARY ANNOUNCEMENT**

Reference is made to the announcement of SMI Holdings Group Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) dated 26 April 2017 in relation to the proposed share consolidation (the “**Announcement**”). This announcement is made on a voluntary basis to enable shareholders and potential investors of the Company to assess the development of the Group. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As stated in the Announcement, the Company notes that many global funds and institutional investors are subject to internal policies and practices which restrict or discourage them from investing in low-priced shares (i.e. penny stock). As such, with a view to avoid the Shares falling under such classification and the general negative impression or speculative nature associated thereto, a pre-cursor to improving the investor profile so as to maximize shareholder value is to put the per Share price of the Company within the range of interest of global funds and institutional investors through the Share Consolidation. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

Other than the relevant expenses to be incurred by the Company in relation to the Share Consolidation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional Consolidated Share to which may arise.

Since the Company plans to meet the target of operating 500 movie theatres in the PRC by the end of 2017, i.e. an expansion of more than 200 movie theatres, the Company has preliminary intention for equity fundraising as at the date of the Announcement, but no proposal or plan has been formulated, nor has there been any negotiation between the Company and potential investors in this regard.

By Order of the Board  
**SMI Holdings Group Limited**  
**Yang Rongbing**  
*Executive Director*

Hong Kong, 27 April 2017

*As at the date of this announcement, the executive Directors are Mr. CHENG Chi Chung, Mr. YANG Rongbing and Mr. KONG Dalu; the non-executive Directors are Dr. YAP Allan and Mr. HUNG Ka Hai Clement; and the independent non-executive Directors are Mr. PANG Hong, Mr. LI Fusheng and Mr. WONG Shui Yeung.*