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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO POSSIBLE ACQUISITION

The announcement is made by the Company on a voluntary basis, for the purpose of informing the shareholders and potential investors of the business updates of the Group.

The Board is pleased to announce that on 28 November 2017 (after trading hours), the Company and the Sellers (independent third parties) entered into a memorandum of understanding, pursuant to which, the Company and the Sellers agree to conduct bona fides negotiation with respect to the entering into of the formal agreement in relation to the possible acquisition. According to the memorandum of understanding, the Company (on its own or through its subsidiaries) proposes to acquire and the Sellers propose to sell certain equity interests of the Target Company, but completion of the possible acquisition is subject to the fulfilment or exemption of certain Conditions Precedent, including (among others) (i) the Group is satisfied with the results from the due diligence of the financial condition, legal and other matters of the Target Company; (ii) the Group and the Sellers have entered into the formal agreement; and (iii) other conditions as set out in the formal agreement. The consideration of the possible acquisition will also be determined subject to and based on further negotiation and the valuation report issued by an independent and professional valuer on the Target Company and/or assets. The final consideration shall be subject to further negotiation between the Company and the Sellers upon entering into the formal agreement.

The Target Company was established in 2016, mainly engaged in, among others, tourism platform, information consulting, technology development, technology promotion and software development in Asia. The Group is principally engaged in the investment in the production and distribution of films; investment in the production and distribution of television (TV) dramas and creation; production and distribution of new media contents, production and distribution of online and film advertisements, agency operation for films, directors, scriptwriters and artists, and tourism. It is our long-term mission to explore suitable acquisition opportunities. The Directors are of the view that, the possible acquisition will broaden the chance for the Company to expand its business portfolio and develop financial tourism, thus in the interest of the Company and its shareholders as a whole.

The memorandum of understanding is not legally binding and the possible acquisition may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Pursuant to Chapter 14 of the Listing Rules, once the possible acquisition is completed, it will constitute a disclosable transaction of the Company. In the event that (i) the Company (or its subsidiaries) shall enter into a formal agreement; (ii) the Company shall decide not to conduct the transactions contemplated under the memorandum of understanding or (iii) there is any significant progress in relation to the possible acquisition, the Company will inform its shareholders and investors with announcements as and when appropriate under Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	SMI Culture & Travel Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Group”	the Company and its subsidiaries
“Target Company”	少掌櫃科技(北京)有限公司, a company incorporated in Beijing with limited liability
“Directors”	the directors of the Company
“Conditions Precedent”	the conditions precedent to complete the possible acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition pursuant to which the Company shall acquire certain equity interests and/or assets of the Target Company from the Sellers (to be further negotiated and determined by the parties thereto)
“Sellers”	the controlling shareholders of the Target Company, together holding 100% equity interests of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board
SMI Culture & Travel Group Holdings Limited
HUANG Zhengchao
Executive Director

Hong Kong, 14 December 2017

As at the date of this announcement, the executive Directors are Mr. WU Chien-Chiang (Chairman), Mr. HUANG Zhengchao, Ms. YAO Qinyi, Mr. KONG Dalu and Mr. YUAN Xin; and the independent non-executive Directors are Mr. RAO Yong, Mr. LIU Xianbo and Mr. ZHAO Xuebo.