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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)**

**INSIDE INFORMATION**  
**RESIGNATION OF EXECUTIVE DIRECTORS**  
**CHANGE OF AUTHORISED REPRESENTATIVES**  
**SUSPENSION OF TRADING**

This announcement is published by SMI Holdings Group Limited (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).

**RESIGNATION OF EXECUTIVE DIRECTORS**

The board (“**Board**”) of directors (“**Directors**”) of the Company announces that Mr. Wai Yee Tai (“**Mr. Wai**”) has resigned as executive Director and the chairman of the Board with effect from 3 September 2018 due to his wife’s critical illness which would require him to allocate more time to his family matters. After his resignation as executive Director and chairman of the Board, Mr. Wai has temporarily remained as a senior management of the Company on a part-time basis.

Mr. Cheng Chi Chung (“**Mr. Cheng**”), Mr. Ren Xiaonan (“**Mr. Ren**”) and Mr. Kong Dalu (“**Mr. Kong**”) have resigned as executive Directors with effect from 2 September 2018. Mr. Cheng tendered his resignation due to his health reasons after a medical operation in early 2018. Mr. Ren resigned as he intends to return to the banking industry in the People’s Republic of China. Mr. Kong resigned because of his family plan to relocate overseas soon.

Mr. Wai, Mr. Cheng, Mr. Ren and Mr. Kong have confirmed respectively that they have no disagreement with the Board and there are no other matters relating to their resignations that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Wai, Mr. Cheng, Mr. Ren and Mr. Kong for their valuable contributions to the Company during their tenures in office.

The remaining non-executive Director and the three independent non-executive Directors have not participated in the daily management and business operation of the Group, and they are unable to handle the Group's executive function and make material decisions in respect of the business and operation of the Group. The Company is in the process of identifying suitable candidates to fill the vacancies of executive Directors, chairman of the Board and chief executive officer so that the management of the Group could resume as normal as soon as possible.

## **CHANGE OF AUTHORISED REPRESENTATIVES**

Following the resignation of Mr. Wai and Mr. Cheng (who were former authorised representatives) as Directors, they ceased to be the authorised representatives of the Company with effect from 3 September 2018 and 2 September 2018 respectively. The Board announces that, Mr. Hung Ka Hai Clement, a non-executive Director, and Mr. Chan Sing Nun, the company secretary of the Company, have been appointed as the authorised representatives of the Company with effect from 3 September 2018.

## **OTHER RECENT DEVELOPMENTS**

The Board wishes to provide an update on certain recent developments:

- The Group has received demand letters from various parties for repayment of outstanding loans and interests accrued thereon. It has come to the attention of the Board that certain subsidiaries of the Company may have been unable to repay their debts when due. The Board is also obtaining information on the operations and debt position (in particular, the terms and conditions of the loan payable) of the Group's major operating subsidiaries.

- The Board noted through media reports and the website of the China Securities Regulatory Commission that the China Securities Regulatory Commission has imposed a “cold shoulder order” on Mr. Qin Hui (“**Mr. Qin**”), the controlling shareholder of the Company. As stated in note 1 to the consolidated financial statements of the Company for the year ended 31 December 2017, the financial information contained therein have been prepared on a going concern basis as, among other things, Mr Qin has agreed to provide adequate funds for the Company to meet in full its financial obligations as they fall due for the foreseeable future. The Board is now in the process of obtaining information as to the latest financial position of the Group and updated status of the Group’s financing activities with a view to assessing the liquidity position of the Group.

Following the resignation of the four executive Directors as mentioned above, the Board currently comprises only one non-executive Director and three independent non-executive Directors. As the remaining Directors have not participated in the Group’s daily management and business operation, and various relevant personnel, including but not limited to certain key personnel who are responsible for financial reporting and finance functions, of the Group have resigned in recent months, the Directors are in the process of conducting an urgent internal review, clarifying the relevant facts and verifying the substance of various matters (including the above) so as to ascertain the current status of the affairs of the Group and assess the potential impact on the business operations and the financial position of the Group.

### **CONTINUED TRADING SUSPENSION**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 3 September 2018.

In view of the uncertainties regarding the going concern of the Group, business operations and liquidity position of the Group and pending the verification and clarification of various matters which are considered to be inside information relating to the Group, trading of the shares of the Company will remain suspended until further notice.

**The Company will make further announcement(s) in accordance with the Listing Rules and the Inside Information Provisions as and when necessary in relation to any material development in connection with the above matters. Shareholders of the Company and investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board of  
**SMI Holdings Group Limited**  
**HUNG Ka Hai Clement**  
*Non-executive Director*

Hong Kong, 14 September 2018

*As at the date of this announcement, the Board of Directors comprises four Directors, including Mr. Hung Ka Hai Clement as non-executive Director and Mr. Pang Hong, Mr. LI Fusheng and Mr. WONG Shui Yeung as independent non-executive Directors.*