

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.*

*This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of SMI Culture & Travel Group Holdings Limited.*



**英皇文化產業集團有限公司**  
**Emperor Culture Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 491)**

**TIME OASIS LIMITED**

*(Incorporated in the British Virgin Islands)*

**JOINT ANNOUNCEMENT**  
**PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,**  
**RULE 13.09 OF THE LISTING RULES, AND**  
**INSIDE INFORMATION PROVISIONS UNDER**  
**PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE**  
**IN RELATION TO**  
**POSSIBLE ACQUISITION OF SHARES OF**  
**SMI CULTURE & TRAVEL GROUP HOLDINGS LIMITED**  
**AND RESUMPTION OF TRADING**

On 24 February 2020, the Potential Purchaser issued a Letter of Intent to the Receivers for the potential acquisition of all or certain of 829,185,517 shares of the Target Company (Stock code: 2366) representing approximately 52.51 % of its issued share capital as at the date of this joint announcement. Such Letter of Intent is non-legally binding in nature. As at the date of this announcement, the Potential Purchaser has not yet concluded this Possible Acquisition.

In the event such Possible Acquisition is concluded, the Potential Purchaser may incur an obligation to conduct the mandatory general cash and/or securities exchange offer for all the issued shares and relevant securities of the Target Company pursuant to the Takeovers Code. In the event that no acquisition of the aforesaid shares from the Receivers is concluded or a percentage of the Target Company's shares falling short of triggering a mandatory general offer is acquired, the Potential Purchaser might nevertheless make a voluntary offer for the shares and other securities of the Target Company pursuant to the Takeovers Code.

At the request of the Company, trading in the shares of the Company had been halted on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 25 February 2020 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 27 February 2020.

This joint announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of Emperor Culture Group Limited (the “**Company**”) and the sole director of Time Oasis Limited announce that on 24 February 2020, Time Oasis Limited, a direct wholly-owned subsidiary of the Company (the “**Potential Purchaser**”), (i) issued a letter of intent (the “**Letter of Intent**”) to Mr. Fok Hei Yu and Mr. Chow Wai Shing, Daniel who are the Joint and Several Receivers (the “**Receivers**”) as appointed by the High Court of Hong Kong Special Administration Region in relation to 829,185,517 shares (the “**Received Shares**”) of SMI Culture & Travel Group Holdings Limited (the “**Target Company**”) (the shares of which are listed on the Stock Exchange (stock code: 2366)), representing approximately 52.51% of the issued share capital of the Target Company as at the date of this joint announcement; and (ii) issued a letter to notify the board of directors of the Target Company in respect of the Letter of Intent.

The Letter of Intent sets out the intention of the Potential Purchaser to acquire the interests in the Target Company and the Potential Purchaser has commenced negotiation with the Receivers for the acquisition of all or certain of the Received Shares (the “**Possible Acquisition**”). The Letter of Intent is non-legally binding in nature and the terms of the Possible Acquisition are subject to further negotiation with the Receivers.

As at the date of this joint announcement, the Potential Purchaser does not hold any issued share capital of the Target Company. Based on the latest published monthly return of the Target Company available as at the date of this joint announcement, the Target Company has a total of 1,579,209,349 shares in issue and save for the aforesaid, the Target Company has no other relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) as at the date hereof.

To the best of the knowledge, information and belief of the directors of the Company and the Potential Purchaser and having made all reasonable enquiries, the Target Company and the Receivers are third parties independent of the Potential Purchaser and the Company and their respective connected persons (as defined under the Listing Rules).

## **LETTER OF INTENT**

### **Possible Acquisition of Received Shares**

Prior to any conclusion of the negotiation, the Potential Purchaser would need to conduct such due diligence on the Received Shares and the business and financial information on the Target Company and its subsidiaries (collectively, the “**Target Group**”), as well as to ascertain the position with the major creditors of the Target Group and the possibility of restructuring of the debts or debt securities owed by the Target Group to them.

In the event such negotiation is concluded resulting in the acquisition of the Received Shares, the Potential Purchaser may incur an obligation to make a mandatory general cash and/or securities

exchange offer for all the issued shares (the “**Shares**”) and relevant securities of the Target Company (other than those which may be acquired or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. In the event that a mandatory general offer is required, the Potential Purchaser will conduct the mandatory general offer in accordance with the requirements of the Takeovers Code.

### **Possible Voluntary Offer**

In the event that no acquisition of Received Shares from the Receivers is concluded or a percentage of Shares falling short of triggering a mandatory general offer is acquired, the Potential Purchaser might nevertheless make a voluntary offer for the Shares and other securities of the Target Company (the “**Possible Voluntary Offer**”) pursuant to the Takeovers Code.

In the event that the Possible Voluntary Offer is to proceed, the closing thereof will be subject to certain conditions which include but not limited to:

1. Valid acceptances of the offer being received (and not, where permitted, withdrawn) by 4:00 pm on the closing date of the Possible Voluntary Offer in respect of such number of Shares which together with Shares already acquired or to be acquired before or during the Possible Voluntary Offer, will result in Potential Purchaser and the parties acting in concert with it as the offeror together holding more than a certain percentage of the voting rights of the Target Company to be determined at the time of making of the Possible Voluntary Offer;
2. The Shares remaining listed and traded on the Stock Exchange, save for any temporary suspension(s) of trading in the Shares as a result of the Possible Voluntary Offer and no indication being received from the Securities and Futures Commission of Hong Kong and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
3. No event, having occurred which would make the offer or the acquisition of any of the Shares under the Possible Voluntary Offer void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Possible Voluntary Offer; and
4. No relevant authorities in Hong Kong and Bermuda having taken or instigated any action, proceedings, suit, investigation or enquiry, or enacted, any statute, regulation, demand or order that would make the Possible Voluntary Offer or the acquisition of any of the Shares under the Possible Voluntary Offer void, unenforceable or illegal.

In the event that the Potential Purchaser decided to make the offer on a voluntary basis, it may set other conditions or modify the abovementioned conditions. The Potential Purchaser also reserves the rights to set other conditions precedent which are identified during the negotiation and due diligence process and decide on any one or more of the conditions to be capable of being waived.

Further announcement(s) will be jointly made by the Company and the Potential Purchaser as and when appropriate or required under the Listing Rules and/or the Takeovers Code (as the case may be).

## **REASON AND BENEFIT FOR THE POSSIBLE ACQUISITION**

The Company and its subsidiaries (collectively, the “**Group**”), being one of the leading cultural and entertainment business conglomerates in Hong Kong as well as the Greater China region, have been actively seeking for investment opportunities in other listed or unlisted platforms in Hong Kong, which may offer an opportunity for further development of businesses of the Group. The Target Group are engaged in various businesses involving production and distribution of films, investment in the production and distribution of television 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, tourism and online ticketing platform operation. The Target Group is considered as an ideal platform for the Group to invest in, taking into account of both the Group and the Target Group would complement and support each other, so as to create synergy effect between the Group and the Target Group.

## **DEALING DISCLOSURE**

For the purposes of the Takeovers Code, the offer period of the Company and the Target Company commences on the date of this joint announcement, being 26 February 2020. The respective associates (as defined in the Takeovers Code) of the Potential Purchaser and the Target Company, including, amongst other, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Target Company are hereby reminded to disclose their dealings in any relevant securities of the Company and the Target Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”*

## **MONTHLY UPDATE**

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid negotiation will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be jointly made by the Company and the Potential Purchaser as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

## **GENERAL**

**The board of directors of the Company and the sole director of the Potential Purchaser wish to emphasise that the Possible Acquisition is still under consideration of the Potential Purchaser and its negotiation with the Receivers. There is no certainty as to the terms of the Possible Acquisition and there is no assurance that the Possible Acquisition and/or the Possible Voluntary Offer will be materialised or eventually be consummated. The Possible Acquisition and/or the Possible Voluntary Offer, if materialised, will constitute notifiable transaction(s) of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders’ approval requirements, where applicable, under the Listing Rules. Shareholders and potential investors of the Company or the Target Company should be aware that the Possible Acquisition and/or the Possible Voluntary Offer may or may not proceed. Shareholders and/or potential investors of the Company or the Target Company are advised to exercise caution in dealing in the securities of the Company or the Target Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company had been halted on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 25 February 2020 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 27 February 2020.

By order of the board  
**Emperor Culture Group Limited**  
**Fan Man Seung, Vanessa**  
*Chairperson*

For and on behalf of  
**Time Oasis Limited**  
**Emperor Cinema Management Limited**  
*Sole Director*

Hong Kong, 26 February 2020

As at the date hereof, the board of directors of the Company comprises:

*Executive Directors:*

Ms. Fan Man Seung, Vanessa  
Mr. Wong Chi Fai  
Mr. Yeung Ching Loong, Alexander  
Ms. Shirley Percy Hughes

*Independent Non-executive Directors:* Ms. Chan Sim Ling, Irene

Mr. Ho Tat Kuen  
Ms. Tam Sau Ying

As at the date of hereof, the sole director of the Potential Purchaser is Emperor Cinema Management Limited.

*The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*Ms. Fan Man Seung, Vanessa and Mr. Wong Chi Fai, being the directors of Emperor Cinema Management Limited, being the sole director of the Potential Purchaser, jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Group and the Target Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement (other than those opinion expressed by the directors of the Group and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*The information relating to the Target Company and Target Group in this joint announcement has been extracted from or based on the published information of the Target Company. The only responsibilities accepted by the directors of the Company in respect of such information is for the correctness and fairness of its reproduction and presentation.*