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## **SMARTAC INTERNATIONAL HOLDINGS LIMITED**

**環球智能控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 395)**

### **QUARTERLY UPDATE ON RESUMPTION PROGRESS**

This announcement is made by Smartac International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and 13.24A 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 (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 25 May 2021, 31 May 2021, 22 June 2021, 24 June 2021, 30 June 2021, 2 July 2021, 7 July 2021 and 27 August 2021 (collectively, the “**Announcements**”), respectively. The relevant content includes the suspension of trading of the Company’s shares on the Stock Exchange, pending publication of the Group’s annual results for the year ended 31 December 2020 and the resumption guidance issued by the Stock Exchange (the “**Resumption Guidance**”). Capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements unless the context requires otherwise.

The board of directors of the Company (the “**Board**”) wishes to update the shareholders (the “**Shareholders**”) and potential investors of the Company of the progress of actions taken to comply with the Resumption Guidance and the latest development on the Group’s business operations.

## UPDATE ON RESUMPTION PROGRESS

As stated in the announcements of the Company dated 25 May 2021 and 22 June 2021, the Stock Exchange has set out the Resumption Guidance for the Company as below:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (iii) inform the market of all material information for the Company's Shareholders and other investors to appraise the Company's position.

The Board would like to provide the following updates on the status of the satisfaction of the resumption conditions pursuant to the Resumption Guidance.

## PUBLICATION OF OUTSTANDING FINANCIAL INFORMATION

The Board would like to announce that the Company has published all outstanding financial results required under the Listing Rules (i.e. the annual results announcement for the year ended 31 December 2020 and the annual report (the "**Annual Report**") for the year ended 31 December 2020) on 31 May 2021 and 2 June 2021 respectively. As disclosed in the Annual Report, the consolidated financial statements of the Company for the year ended 31 December 2020 were subject to two audit qualifications (the "**Audit Qualifications**") in relation to the recoverability of trade receivables and the net realisable value of inventories. For more details of the Audit Qualifications, please refer to the Annual Report.

The Company has published the unaudited interim results announcement for the six months ended 30 June 2021 (the "**Interim Results**") and the unaudited interim report for the six months ended 30 June 2021 (the "**Interim Report**") on 27 August 2021 and 14 September 2021 respectively, which has been reviewed by the Company's audit committee.

## THE LATEST DEVELOPMENTS OF THE GROUP'S BUSINESS OPERATIONS

The Group is principally engaged in the businesses of (i) online to offline commerce and (ii) electronic payment solutions.

As at the date of this announcement, the Group's management continues to review the existing businesses and strives to improve the business operations and financial position of the Group in response to Rule 13.24 of the Listing Rules. The Group evaluates existing business operations and considers to spin off those non-competitive and unsatisfactory business, including the disposal of the entire interest in a subsidiary, Upfront Success Holding Limited, details of which as disclosed in the announcement of the Company dated 30 September 2021. The Group is also seeking for any potential business opportunities aiming to broaden its source of income and maximizing return to the Shareholders.

With regard to the Audit Qualifications, the Group proactively improves the realization of inventory and the collection of trade receivables. In the condensed consolidated statement of financial position of the Group as at 30 June 2021, the allowances for trade receivables and impairment of inventories have been duly made. Up to the date of this announcement,

approximately 41% of the trade receivables after impairment as at 30 June 2021 have been settled, after taking into account the effect of the disposal of the entire interest in Upfront Success Holding Limited. The Group will continue to proactively follow up all the overdue trade receivables from customers and pursue legal proceedings if required, improve internal credit risk management policy and strengthen the capabilities of sales and marketing teams so as to speed up the inventory realisation.

## **CHANGE OF THE BOARD AND MANAGEMENT**

As at the date of this announcement, the Group continues to evaluate and enhance its management structure and corporate governance strategy.

References are made to the announcements of the Company dated 24 June 2021, 2 July 2021, 7 July 2021, 27 August 2021 and 30 September 2021, the composition of the Board have been changed to enhance the management of the Company and fulfill the requirement under Rules 3.10(1) and 3.21 of the Listing Rules for the minimum number of directors required. For more details of such changes of the Board and management, please refer to the aforementioned announcements of the Company.

## **APPOINTMENT OF FINANCIAL ADVISOR**

The Board would also like to announce that the Company has engaged a professional financial advisor in assistance with the resumption exercise. The Company will, with the assistance of the financial advisor, make submission to the Stock Exchange for its approval when there is any concrete resumption plan.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until the Company fulfills the requirement of Resumption Guidance.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board of  
**Smartac International Holdings Limited**  
**Yang Xin Min**  
*Chairman*

Hong Kong, 30 September 2021

*As at the date of this announcement, the Board comprises (i) three executive Directors, namely, Mr. Yang Xin Min (Chairman), Mr. Ke Haiwei (Joint Chief Executive Officer) and Mr. Wong Wai Wai (Joint Chief Executive Officer); and (ii) three independent non-executive Directors, namely Dr. Cheng Faat Ting Gary, Mr. Poon Lai Yin Michael and Mr. Wang Haoxian.*