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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **IN RELATION TO A MEMORANDUM OF UNDERSTANDING IN RESPECT OF A STRATEGIC COOPERATION**

This announcement is made by Smartac International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Group.

#### **MEMORANDUM OF UNDERSTANDING**

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 4 November 2021, a wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with an independent third party (the “**JV Partner**”) to establish a strategic cooperation between the Group and the JV Partner (the “**Strategic Cooperation**”).

The JV Partner is a manufacturer and provider of health food, skin care, personal care and other healthcare products which predominantly sells and distributes such products in the People’s Republic of China (the “**PRC**”). To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Pursuant to the MOU, the Group and the JV Partner intend to establish a joint venture company (the “**JV Company**”), the equity interest of which would be owned as to 60% by the Group and 40% by the JV Partner. The JV Partner would grant to the JV Company a right to market and sell three brands of its health food (collectively, the “**Health Food**”), and the Group would inject the necessary operating capital to the JV Company. According to

information provided by the JV Partner, the Health Food have gained market recognition over time and the revenue generated from the sale of the Health Food has recorded significant increase over recent years and is expected to continuously increase in future.

The parties intend to enter into a binding agreement in respect of the Strategic Cooperation within 30 days from the date of the MOU. The Group will continue to conduct due diligence review on various respects of the JV Partner and the Health Food including, among others, the business operations, financial conditions and legal and compliance matters and determine whether or not to proceed with the signing of a binding agreement.

## **REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION**

The Group is principally engaged in the business of online to offline (“O2O”) commerce (including, among others, the marketing and distribution of healthcare products) and electronic payment solutions. The Board is of the view that the Strategic Cooperation enables the Group (a) to tap into the industry of sale and distribution of the Health Food which would provide for an expansion of its O2O commerce business in relation to health food; and (b) to enhance competitiveness and presence in the fast-growing health food market in the PRC taking advantage of (i) the Group’s trading expertise and financial resources; and (ii) the JV Partner’s quality products, proven track record of the Health Food and customer network.

The MOU only sets out the preliminary framework of the Strategic Cooperation and the Strategic Cooperation is subject to the execution and completion of a binding agreement. Further announcements will be made by the Company as and when appropriate and in accordance with the Listing Rules.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company 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 fulfils the Stock Exchange’s guidance for the resumption of trading in the shares.

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

Hong Kong, 4 November 2021

*As at the date of this announcement, the Board comprises (i) three executive directors, 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, Dr. Cheng Faat Ting Gary, Mr. Poon Lai Yin Michael and Mr. Wang Haoxian.*