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SMART GLOBE HOLDINGS LIMITED

竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1481)

VOLUNTARY ANNOUNCEMENT

SUBSCRIPTION OF 30% OF THE ENLARGED REGISTERED CAPITAL OF HUBEI KANG SHI ZHEN YI YAO TECHNOLOGY CO., LTD.*

This announcement is made by the Company on a voluntary basis, and is intended to keep its shareholders and potential investors informed about the latest development of the Group.

THE SUBSCRIPTION

The Board is pleased to announce that on 15 July 2022 (after trading hours), the Company entered into the Agreement with the Target Company, pursuant to which the Subscriber (being the Company) has conditionally agreed to subscribe for the Subscription Amount, representing 30% of the enlarged registered capital of the Target Company upon Completion, at the Subscription Price of HK\$30,000,000. As at the date of this announcement, the Target Company is owned as to 65% by 嚴福全先生 (Mr. Yan Fuquan*) and 35% by 福佑醫藥科技（蘇州）有限公司 (Fuyou Pharmaceutical Technology (Suzhou) Co., Ltd.*) (“**Fuyou Pharmaceutical**”).

The Subscription Price was arrived at after arm’s length negotiations between the Company and the Target Company and will be settled by the internal financial resources of the Group.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Yan Fuquan, Fuyou Pharmaceutical and its ultimate beneficial owner are Independent Third Parties.

Conditions precedent

Completion of the Subscription is conditional upon:

- (a) the Subscriber having completed its due diligence investigation on the business, financial, legal and all other aspects of the Target Company and in its absolute discretion satisfied with the results thereof within 90 days after the date of signing of the Agreement;
- (b) all necessary consents, confirmations, permits, approvals, licences and authorisations from all relevant governmental, regulatory and other authorities, agencies and departments in the PRC, Hong Kong or elsewhere, including but not limited to the Stock Exchange and the Securities and Futures Commission of Hong Kong, or otherwise required from any third parties in connection with the transactions contemplated under the Agreement having been obtained and/or the transaction contemplated in the Agreement will not constitute a reverse takeover from the Stock Exchange's perspectives; and
- (c) no representation, warranty or undertaking under the Agreement having been breached by the Target Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Agreement.

Each of the Target Company and the Subscriber shall use its best endeavours to procure the fulfilment of the conditions (except the condition set out in (b) above which shall take place simultaneously with completion of the Subscription) on or before the Closing Date.

If the Conditions are not fulfilled on or before the Closing Date, the Agreement shall terminate and neither of the parties therein will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Agreement. For the avoidance of doubt, the parties can negotiate and extend the Closing Date in writing.

Completion

Completion shall take place on the Closing Date pursuant to the terms of the Agreement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in the production, distribution and printing of books, novelty and packaging products. Whilst the Group remains focused on developing its existing businesses, the Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time with growth potential and broaden its business segment and source of income.

The Target Company is a company established in the PRC and principally engaged in pharmaceutical research and development, and manufacturing and sales of drugs. The Target Company mainly focus on the production and sales of active pharmaceutical ingredient (“API”) natural “Paclitaxel API”, the semi-synthetic prostate cancer anticancer drug “Cabazitaxel API” and the by-product “10-Deacetylbaaccatine III”. The Target Company is currently in the process of evaluating the consistency of generic drugs (the “New Drugs”) of paclitaxel injection and cabazitaxel injection. Subject to the consistency evaluation of the New Drugs, the Target Company intends to market and commercialise the New Drugs in global market by the end of 2023.

Paclitaxel is an important anti-tumor drug for tumors such as ovarian cancer, breast cancer and non-small cell lung cancer. According to Precedence Research, a market research and consulting organisation, the global paclitaxel injection market size was valued at approximately US\$4.51 billion in 2021 and is expected to reach approximately US\$11.16 billion in 2030, representing a compound annual growth rate of approximately 10.6%. In view of above, the Board considers that the market of Paclitaxel has great development potential and that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the best interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Subscription are lower than 5%, the Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

As the Completion is subject to the fulfilment of a number of conditions, the Subscription may or may not proceed to Completion. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares or other securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Agreement”	the subscription agreement dated 15 July 2022 and entered into by the Company and the Target Company in respect of the Subscription
“Board”	the board of Directors
“Company” or “Subscriber”	Smart Globe Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription pursuant to the Agreement
“Closing Date”	on or before 30 October 2022, which will be the date of completion of the Subscription, or such other time and/or date as the parties may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) who is independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Subscriber for the Subscription Amount on the terms and subject to the conditions set out in the Agreement
“Subscription Price”	HK\$30,000,000, being the subscription price for the Subscription Amount
“Subscription Amount”	30% of the enlarged registered capital of the Company upon completion of the Subscription
“Target Company”	Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd.* (湖北康時珍醫藥科技有限公司), a company established in the PRC with limited liability
“%”	per cent.

By Order of the Board
Smart Globe Holdings Limited
Lam Tak Ling Derek
Chairman

Hong Kong, 15 July 2022

As at the date of this announcement, the executive Directors are Mr. Lam Tak Ling Derek, Mr. Chan Yee Yeung, Ms. Tse Yuen Shan Ivy; and the independent non-executive Directors are Mr. Li Chun Hung, Mr. Ong Chor Wei and Mr. Yam Kam Kwong, JP.

* *for identification purposes only*