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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)**

## **NOVATION OF AGREEMENT IN RELATION TO SUBSCRIPTION OF 30% OF THE ENLARGED REGISTERED CAPITAL OF HUBEI KANG SHI ZHEN YI YAO TECHNOLOGY CO., LTD.\* AND NOVATION OF SUPPLEMENTAL DEED**

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

Reference is made to the announcements of the Company dated 15 July 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023 and 31 March 2023 in relation to the subscription of 30% of the enlarged registered capital of Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd.\* by the Company (the “**Announcements**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

### **NOVATION OF AGREEMENT**

The time limit for the completion of the Due Diligence Investigation as stipulated in the Agreement (as extended by the supplemental agreements subsequently entered into by the Company and the Target Company) has expired on 30 April 2023. The parties to the Agreement have mutually agreed that the time limit for the completion of the Due Diligence Investigation would not be further extended.

On 5 July 2023 (after trading hours), the Company entered into a deed of assignment and novation with the Target Company, 同利紙制品（河源）有限公司 (“**Tong Li**”), Riverton Holdings Limited (百川鴻滙控股有限公司) (“**Riverton**”) and Fuyou Pharmaceutical (the “**Deed of Assignment and Novation**”), pursuant to which the Company agrees to assign and transfer all its right, title, benefit, interest, property, claim, demand, covenants, undertakings, obligations and liabilities in the Agreement to Riverton and Riverton accepts such assignment and transfer, in consideration of any fixed amount (which is equivalent to HK\$7,000,000) to be paid by Riverton to the Company (the “**Consideration**”).

## **NOVATION OF SUPPLEMENTAL DEED**

Furthermore, pursuant to the Deed of Assignment and Novation, Tong Li agrees to assign and transfer all its right, title, benefit, interest, property, claim, demand, covenants, undertakings, obligations and liabilities in the Supplemental Deed to Riverton and Riverton accepts such assignment and transfer, in consideration of the Consideration.

Pursuant to the Deed of Assignment and Novation, Fuyou Pharmaceutical releases and discharges Tong Li from all its obligations and liabilities under the share pledge agreement entered into by Tong Li and Fuyou Pharmaceutical dated 15 August 2022 (the “**Share Pledge Agreement**”). Fuyou Pharmaceutical further agrees and covenants with Tong Li that Fuyou Pharmaceutical shall complete the registration procedures regarding the release of the share pledge under the Share Pledge Agreement with the Department of State Administration for Industry and Commerce in Xiaogan City, Hubei Province or any relevant government authorities.

## **BACKGROUND INFORMATION OF THE PARTIES**

To the best knowledge, information and belief of the Directors, Riverton is a company incorporated under the laws of Hong Kong with limited liability principally engaged in investment holding. As at the date of this announcement, Tong Li is a wholly foreign owned enterprises established under the laws of the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company, and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Riverton, Fuyou Pharmaceutical and their respective ultimate beneficial owners is independent third party.

## **REASONS FOR THE ASSIGNMENT AND NOVATION OF AGREEMENT AND SUPPLEMENTAL DEED AND ENTERING INTO OF THE DEED OF ASSIGNMENT AND NOVATION**

The Group is principally engaged in the production, distribution and printing of books, novelty and packaging products. The Group considered 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. Nevertheless, the Due Diligence Investigation has taken a longer period than the Directors originally expected.

Having considered the prolonged Due Diligence Investigation process, the Directors considered that it is beneficial for the Group to cease to proceed with the transaction and subscription, and to assign and novate the Agreement and the Supplemental Deed and receive the payment of HK\$7,000,000 from Riverton to recover the amount advanced under the Advancement for the Group's continued development of its core business activities.

The Board considers that the terms of the Deed of Assignment and Novation are fair and reasonable and the entering into of the Deed of Assignment and Novation is in the best interest of the Company and its Shareholders as a whole.

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

Hong Kong, 5 July 2023

*As at the date of this joint announcement, the executive Directors are Mr. LAM Tak Ling Derek, Mr. CHAN Yee Yeung and 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*