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**SMARTAC GROUP CHINA
HOLDINGS LIMITED**
中國智能集團控股有限公司
*(Incorporated in the Cayman Islands
with limited liability)*
(Stock Code: 395)



**HUAKANG BIOMEDICAL
HOLDINGS COMPANY LIMITED**
華康生物醫學控股有限公司
*(Incorporated in the Cayman Islands
with limited liability)*
(Stock Code: 8622)

**VOLUNTARY JOINT ANNOUNCEMENT IN RELATION TO
THE MEMORANDUM OF UNDERSTANDING IN RESPECT OF
THE POSSIBLE FORMATION OF A JOINT VENTURE COMPANY**

POSSIBLE FORMATION OF JOINT VENTURE

The Smartac Board and the Huakang Board jointly announce that on 2 April 2020 (after trading hours), Forever Triumph and Nutronic Biomedical, each being a direct wholly-owned subsidiary of Smartac and Huakang respectively, entered into a MOU in relation to the possible formation of a JVC in Hong Kong for (i) setting up and operating and/or authorizing third party(ies) to set up and operate cross-border e-commerce platform(s) for sales, marketing and distribution of the Product Series and other new products as may be agreed by the Parties from time to time in the PRC and Hong Kong; and (ii) the sales, marketing, promotion of the Product Series through other channels in the PRC and Hong Kong.

THE MOU

The principal terms of the MOU are set out below:

- Date** 2 April 2020 (after trading hours)
- Parties** (i) Forever Triumph, a direct wholly-owned subsidiary of Smartac
(ii) Nutronic Biomedical, a direct wholly-owned subsidiary of Huakang

Mr. Poon Lai Yin Michael is an executive director of Huakang and an independent non-executive director of Smartac. Mr. Poon has abstained and will abstain from voting for approving the formation of the JVC in board meetings of Smartac and Huakang.

To the best knowledge, information and belief of the Smartac Board, having made all reasonable enquiries, save as disclosed herein, Nutronic Biomedical and its ultimate beneficial owners are independent of and not connected with Smartac and its connected persons.

To the best knowledge, information and belief of the Huakang Board, having made all reasonable enquiries, save as disclosed herein, Forever Triumph and its ultimate beneficial owners are independent of and not connected with Huakang and its connected persons.

Shareholding structure

The proposed issued share capital of the JVC is HK\$100,000, which will be held by Forever Triumph and Nutronic Biomedical as to 51% and 49% respectively. It is anticipated that all necessary registered and operating capital will be contributed by the Parties according to their respective shareholdings in the JVC.

Validity and exclusivity period

The MOU shall be valid for a period of six months from the date of the MOU or such later date that the Parties may otherwise agree in writing (the “**Validity Period**”). During the Validity Period, the Parties shall negotiate in good faith and on sound commercial basis for the purpose of reaching agreement on a definitive and legally binding joint venture agreement for the JVC.

The Parties further agree that within the Validity Period, neither the Parties (and/or their respective affiliates) nor any of their respective agents and representatives shall directly or indirectly, enter or agree to enter into any (or continue any existing) discussions, negotiations or agreements with any other person(s) for any same, similar or otherwise in conflict the business(es) and/or transaction(s) as contemplated under the MOU.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Smartac Group is principally engaged in (i) management, operation and provision of market strategy of online shops and e-commerce platforms; (ii) provision of electronic payment solutions and services; and (iii) sale of software and provision of O2O consultation services.

The Huakang Group is principally engaged in research and development, manufacture, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the PRC.

It is intended that Nutronic Biomedical will grant or otherwise license to the JVC an exclusive right for the sale, marketing and distribution of the Product Series in the PRC and Hong Kong and Forever Triumph will manage the sales and marketing of the Products Series by leveraging its distribution platform and channels in the PRC and Hong Kong. Valuable synergy is therefore expected to be generated by pooling of each Party’s resources and each of the Smartac Board and the Huakang Board considers that the intended collaboration under the MOU would be beneficial and in the interests of Smartac, Huakang and their respective shareholders.

Each of the Smartac Board and Huakang Board wishes to emphasise that the MOU is not legally binding (save for validity and exclusivity periods, confidentiality, and governing law and jurisdiction under the MOU) and the formation of the JVC may or may not proceed. Further announcement(s) in respect of the formation of the JVC may be made by Smartac and Huakang in compliance with the Main Board Listing Rules and GEM Listing Rules respectively as and when appropriate.

Shareholders and potential investors of Smartac and Huakang are urged to exercise caution when dealing in the shares of Smartac and Huakang.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Forever Triumph”	Forever Triumph Holdings Limited, a company incorporated in British Virgin Islands and is a direct wholly-owned subsidiary of Smartac
“GEM”	GEM of The Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huakang”	Huakang Biomedical Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (Stock Code: 8622)
“Huakang Board”	the board of Huakang Directors
“Huakang Directors”	the directors of Huakang
“JVC”	a private limited company intended to be jointly incorporated in Hong Kong by Forever Triumph and Nutronic Biomedical
“Main Board”	Main Board of The Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 2 April 2020 and entered into between Forever Triumph and Nutronic Biomedical in relation to the possible formation of a joint venture company
“O2O”	online to offline

“Nutronic Biomedical”	Nutronic Biomedical Group Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Huakang
“Nutronic Healthcare”	Nutronic Healthcare Company Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Huakang
“Parties”	parties to the MOU, namely Forever Triumph and Nutronic Biomedical and each a “Party”
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Product Series”	certain products series supplied by Nutronic Healthcare including Ferti series, ConcepCare series and NatalCare series, being male and female fertility supplements
“Smartac”	Smartac Group China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of The Stock Exchange (Stock Code: 395)
“Smartac Board”	the board of Smartac Directors
“Smartac Directors”	the directors of Smartac
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
**Smartac Group China
Holdings Limited**
Yang Xin Min
Chairman

By Order of the Board
**Huakang Biomedical Holdings
Company Limited**
Zhang Shuguang
Chairman and Executive Director

Hong Kong, 2 April 2020

As at the date of this joint announcement, the Smartac Board comprises of (i) one executive Smartac Director, namely, Mr. Ho Chi Kin; (ii) one non-executive Smartac Director, namely Mr. Yang Xin Min (Chairman); and (iii) five independent non-executive Smartac Directors, namely Dr. Cheng Faat Ting Gary, Mr. Poon Lai Yin Michael, Mr. Tsui Francis King Chung, Mr. Tang Yat Ming Edward and Mr. Peng Bobo.

As at the date of this joint announcement, the Huakang Board comprises of (i) four executive Huakang Directors, namely, Mr. Zhang Shuguang (Chairman), Mr. Zhang Chunguang, Mr. Poon Lai Yin Michael and Mr. He Jiaming; and (ii) three independent non-executive Huakang Directors, namely Dr. Yeung David Wai Chow, Mr. Kwok Chi Shing and Mr. Chan Kin Sang.

This joint announcement, for which the Huakang Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Huakang (other than those expressed by Smartac). The Huakang Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this joint announcement (other than those expressed by Smartac) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of publication and on Huakang’s website at www.huakangbiomedical.com.