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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 SHAREHOLDERS' AGREEMENT OF SMARTRONIC LIMITED

Reference is made to the voluntary announcement dated 2 April 2020 (the “**Announcement**”) jointly made by Smartac and Huakang in relation to the possible formation of a joint venture company. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 3 June 2020 (after trading hours), Forever Triumph (a wholly-owned subsidiary of Smartac), Nutronic Biomedical (a wholly-owned subsidiary of Huakang) and Smartronic Limited (“**Smartronic**”, a company held as to 51% and 49% by Forever Triumph and Nutronic Biomedical respectively for the purposes of performing the intended collaboration as contemplated under the Shareholders’ Agreement), entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) in relation to Smartronic.

Pursuant to the Shareholders’ Agreement, the issued share capital of Smartronic is HK\$100,000, which is jointly held by Forever Triumph and Nutronic Biomedical as to 51% and 49% respectively. In addition, the parties to the Shareholders’ Agreement (the “**Parties**”) shall procure Smartronic to form and incorporate a wholly foreign owned enterprise (“**WFOE**”) with the intended paid-in capital of RMB1,000,000 as a wholly-owned subsidiary of the Smartronic in Shanghai under the laws of the PRC. It is agreed that all necessary paid-in capital of the WFOE will be contributed by Forever Triumph and Nutronic Biomedical according to their respective shareholdings in Smartronic. Smartronic is a subsidiary of Smartac and its financial results will be consolidated into the accounts of Smartac.

The joint investment in Smartronic and the WFOE by Smartac and Huakang is for the purposes of (inter alia) commencing, developing, operating and otherwise engaging in the business of (inter alia) sales, marketing and distribution of the Product Series and other new products as may be agreed by the Parties from time to time through cross-border e-commerce platform(s) and/or other (online, offline or otherwise) platforms and channels in the PRC and Hong Kong. As disclosed in the Announcement, it is expected that the joint investment in Smartronic and the WFOE will promote synergy on the intended collaboration by pooling of each Party's resources to create a sales and marketing platform for the Product Series (i.e. certain products series supplied by Nutronic Healthcare including Ferti series, ConcepCare series and NatalCare series, being male and female fertility supplements) in the PRC and Hong Kong and expand to other products business at the appropriate time.

Mr. Poon Lai Yin Michael is an executive director of Huakang and an independent non-executive director of Smartac. Mr. Poon has abstained from voting for approving the Shareholders' Agreement in the board meetings of Smartac and Huakang.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the investment in Smartronic and the entering into the Shareholders' Agreement (collectively, the "**Transaction**") is under 5%, the Transaction did not constitute a notifiable transaction of Smartac under Chapter 14 of the Listing Rules. 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 prior to the Transaction.

As each of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Transaction is under 5%, the Transaction did not constitute a notifiable transaction of Huakang under Chapter 19 of the GEM Listing Rules. 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.

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, 3 June 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.