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Smartac
中國智能

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)

SATISFACTION OF PROFIT GUARANTEE OF LCE GROUP LIMITED FOR THE ISSUANCE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

References are made to the announcements of Smartac Group China Holdings Limited (the “**Company**”) dated 11 October 2017, 31 October 2017, 21 November 2017, 20 December 2017 and 28 December 2017 in relation to, among other things, the major transaction regarding the Acquisition (the “**2017 Announcements**”) and the circular dated 5 December 2017 (the “**Circular**”) in relation to the acquisition of 51% of equity interest in LCE Group Limited. Capitalised terms used in this announcement have the same meanings as defined in the 2017 Announcements and the Circular unless otherwise defined.

As disclosed in the 2017 Announcements, pursuant to the Sale and Purchase Agreement, the Consideration will be settled partly by the allotment and issuance of Consideration Shares for the value of HK\$18,431,250 upon the satisfaction of the Target Profit for the year ended 31 December 2017 being RMB15,000,000 (or for the adjusted value if otherwise).

The Board is pleased to announce that as reported and confirmed by RSM Hong Kong, Certified Public Accountants, the auditor of the Company and the Target Group, the audited consolidated net profit after taxation of the Target Group for the year ended 31 December 2017 based on financial statements prepared in accordance with IFRS was approximately RMB15,176,000 and accordingly, the Target Profit for the year ended 31 December 2017 had been satisfied and no adjustment shall be made to the said value of HK\$18,431,250 as aforesaid.

Following the satisfaction of the Profit Guarantee for the year ended 31 December 2017 and pursuant to the terms of the Sale and Purchase Agreement, the Board is

pleased to announce that the Company will allot and issue 61,437,500 Consideration Shares to the Vendor.

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

Hong Kong, 22 June 2018

As at the date of this announcement, the Directors are Mr. Yang Xin Min and Mr. Yang Zhen as executive Directors, and Dr. Cheng Faat Ting Gary, Mr. Poon Lai Yin Michael and Mr. Yang Wei Qing as independent non-executive Directors.