

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Offer Price and net proceeds from the Share Offer

- The Offer Price has been determined at HK\$0.25 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Offer Price of HK\$0.25 per Offer Share and 250,000,000 Shares offered by the Company, the net proceeds from the Share Offer to be received by the Company, after deducting the underwriting fees and commissions and estimated expenses paid and payable by the Company in relation to the Share Offer, are estimated to be approximately HK\$39.2 million. The Company intends to apply such net proceeds in the manner set out in the paragraph headed “Net proceeds from the Share Offer” in this announcement and the section headed “Future plans and use of proceeds” in the Prospectus.

Public Offer

- The Offer Shares initially offered under the Public Offer have been significantly over-subscribed. A total of 4,028 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms, through the **HK eIPO White Form** service and through giving **electronic application instructions** to HKSCC via CCASS for a total of 235,930,000 Public Offer Shares, equivalent to approximately 9.44 times of the total number of 25,000,000 Public Offer Shares initially available for subscription under the Public Offer.
- As the over-subscription in the Public Offer is less than 15 times, the reallocation procedures as described in the section headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus has not been applied. The final number of Offer Shares under the Public Offer is 25,000,000 Public Offer Shares, representing 10% of the total number of Offer Shares initially available under the Share Offer, and being allotted to 2,164 allottees under the Public Offer.

Placing

- The Offer Shares initially offered under the Placing have been moderately over-subscribed, which is equivalent to 1.25 times of the total number of 225,000,000 Offer Shares initially available under the Placing. The final number of the Placing Shares allocated to 259 placees under the Placing is 225,000,000 Placing Shares, representing 90% of the total number of the Offer Shares available under the Share Offer. A total of 146 placees have been allotted five board lots of Placing Shares or less, representing approximately 56.4% of the total number of placees under the Placing. A total of 5,050,000 Placing Shares have been allotted to these placees, representing approximately 2.2% of the Placing Shares.
- The Directors confirm that, to the best of their knowledge and belief, all placees and their ultimate beneficial owners under the Placing are independent and not core connected persons of the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates within the meaning of the GEM Listing Rules, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. None of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-lead Manager and the Underwriters or their respective associates has taken up any Offer Shares for its own benefit under the Share Offer. No placee has been or will be, individually, placed more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing, individually, will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company after completion of the Share Offer. The Directors confirm that, immediately after completion of the Share Offer, the Company will comply with Rule 11.23(7) of the GEM Listing Rules and the public float of the Company will be 25% of the enlarged issued share capital of the Company, and the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 11.23(8) of the GEM Listing Rules. The Directors confirm that there will be at least 100 Shareholders at the time of the Listing in compliance with Rule 11.23(2)(b) of the GEM Listing Rules.

Results of Allocations

- The results of allocations under the Public Offer, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms, through the **HK eIPO White Form** service and through giving **electronic application instructions** to HKSCC via CCASS will be made available at the times and dates and in the manner specified below:
 - in the announcement to be posted on the Company's website at www.smartglobehk.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Wednesday, 27 December 2017;
 - from the designated results of allocations website at www.tricor.com.hk/lipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, 27 December 2017 to 12:00 midnight on Tuesday, 2 January 2018;
 - by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, 27 December 2017 to Tuesday, 2 January 2018 on a Business Day;
 - in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 27 December 2017 to Friday, 29 December 2017 at all the receiving bank's designated branches.

Despatch/Collection of Share Certificates and Refund Monies

- Applicants who have applied for 1,000,000 Public Offer Shares or more on **WHITE** Application Forms or through the **HK eIPO White Form** service and have provided all information required by their Application Forms and their applications are wholly or partially successful, may collect their share certificate(s) (where applicable) from the Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, 27 December 2017 or such other date as notified by the Company.
- Share certificates for Public Offer Shares allotted to applicants using **WHITE** Application Forms or through the **HK eIPO White Form** Service who have applied for less than 1,000,000 Public Offer Shares, or which are available but are not collected in person within the time specified for collection, are expected to be despatched to those entitled to the address specified in the relevant **WHITE** Application Form by ordinary post at their own risks on Wednesday, 27 December 2017.
- Wholly or partially successful applicants on **YELLOW** Application Form will have their share certificate(s) issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participants' stock accounts or their designated CCASS Participant's stock account as instructed by the applicant in the **YELLOW** Application Form on Wednesday, 27 December 2017 or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- Share certificate(s) for Public Offer Shares allotted to applicants giving **electronic application instructions** to HKSCC via CCASS will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participants' stock accounts or the stock accounts of their designated CCASS Participants as instructed by them electronically, on Wednesday, 27 December 2017, or, on any other date determined by HKSCC or HKSCC Nominees.
- Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Public Offer Shares allocated to them with that CCASS Participant.
- Applicants on **WHITE** or **YELLOW** Application Forms who have applied for 1,000,000 Public Offer Shares or more and have provided all information required by their **WHITE** or **YELLOW** Application Forms, may collect their refund cheque(s) (where applicable) in person from Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, 27 December 2017 or such other date as notified by the Company.
- Applicants who have applied through the **HK eIPO White Form** Service and paid the application monies from a single bank account, refund monies (if any) will be despatched to that bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through **HK eIPO White Form** Service and paid the application monies from multiple bank accounts, refund monies (if any) will be despatched to the address as specified on the **HK eIPO White Form** application instructions in the form of refund cheque(s) by ordinary post and at their own risks on Wednesday, 27 December 2017.
- Refund cheques in respect of wholly or partially unsuccessful applicants who have applied for less than 1,000,000 Public Offer Shares by using **WHITE** or **YELLOW** Application Forms, and the refund cheques which are available but are not collected in person within the time specified for collection, are expected to be despatched by ordinary post to those entitled at their own risks on Wednesday, 27 December 2017.
- Applicants who have applied by giving **electronic application instructions** to HKSCC to apply on their behalf, all refunds are expected to be credited to their designated bank accounts (if the applicants have applied as a CCASS Investor Participant) or the designated bank account of their broker or custodian on Wednesday, 27 December 2017.
- Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on Thursday, 28 December 2017, provided that the Share Offer has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" in the Prospectus has not been exercised and has lapsed.
- The Company will not issue any temporary documents of title in respect of the Offer Shares or any receipts for sums paid on application for the Offer Shares.

Commencement of Dealings

- Assuming that the Share Offer becomes unconditional in all aspects at or before 8:00 a.m. (Hong Kong time) on Thursday, 28 December 2017, dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, 28 December 2017. The Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8485.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

OFFER PRICE

The Offer Price has been determined at HK\$0.25 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE SHARE OFFER

Based on the Offer Price of HK\$0.25 per Offer Share and 250,000,000 Shares offered by the Company, the net proceeds from the Share Offer to be received by the Company, after deducting the underwriting fees and commissions and estimated expenses paid and payable by the Company in relation to the Share Offer, are estimated to be approximately HK\$39.2 million. The Company currently intends to apply such net proceeds as follows:

- (i) approximately 35% of the net proceeds, or approximately HK\$13.7 million, will be used for purchasing machinery for upgrading our production equipment to enhance level of automation and production efficiency;
- (ii) approximately 30% of the net proceeds, or approximately HK\$11.8 million, will be used for repayment of part of the Company's bank and other borrowings;
- (iii) approximately 15% of the net proceeds, or approximately HK\$5.9 million, will be used for strengthening sales and marketing efforts and expanding customer base;
- (iv) approximately 10% of the net proceeds, or approximately HK\$3.9 million, will be used for potential investment and acquisition; and
- (v) approximately 10% of the net proceeds, or approximately HK\$3.9 million, will be used for additional working capital and other general corporate purposes.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for further details of the Company's intended use of net proceeds from the Share Offer.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

The Company announces that Offer Shares initially offered under the Public Offer have been significantly over-subscribed. At the close of the application lists at 12:00 noon (Hong Kong time) on Monday, 18 December 2017, a total of 4,028 valid applications including application on **WHITE** and **YELLOW** Application Forms and through **HK eIPO White Form** Service and through giving **electronic application instructions** to HKSCC via CCASS for a total of 235,930,000 Public Offer Shares have been received, which are equivalent to approximately 9.44 times of the total number of 25,000,000 Public Offer Shares initially available for subscription under the Public Offer.

No application has been rejected due to dishonoured cheque. No multiple or suspected multiple applications have been identified and rejected. No invalid applications have been identified. No application for more than 100% of the Public Offer Shares initially available under the Public Offer (that is, more than 25,000,000 Public Offer Shares) has been identified.

As the over-subscription in the Public Offer is less than 15 times, the reallocation procedures as described in the section headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus has not been applied. The final number of Offer Shares under the Public Offer is 25,000,000 Public Offer Shares, representing 10% of the total number of Offer Shares initially available under the Share Offer, and being allotted to 2,164 allottees under the Public Offer.

The Public Offer Shares available for subscription and validly applied for were conditionally allocated on the basis as set out in the section headed “Basis of allocation under the Public Offer” in this announcement below.

BASIS OF ALLOCATION UNDER THE PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the section headed “Structure and conditions of the Share Offer — Conditions of the Share Offer” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms, through the **HK eIPO White Form** service and by **electronic application instructions** given to HKSCC via CCASS will be conditionally allocated on the basis set out below:

Number of shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of shares applied for
10,000	2,148	1,074 out of 2,148 applicants to receive 10,000 shares	50.00%
20,000	1,217	621 out of 1,217 applicants to receive 10,000 shares	25.51%

Number of shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of shares applied for
30,000	197	102 out of 197 applicants to receive 10,000 shares	17.26%
40,000	82	43 out of 82 applicants to receive 10,000 shares	13.11%
50,000	54	30 out of 54 applicants to receive 10,000 shares	11.11%
60,000	22	13 out of 22 applicants to receive 10,000 shares	9.85%
70,000	12	8 out of 12 applicants to receive 10,000 shares	9.52%
80,000	22	16 out of 22 applicants to receive 10,000 shares	9.09%
90,000	10	8 out of 10 applicants to receive 10,000 shares	8.89%
100,000	84	69 out of 84 applicants to receive 10,000 shares	8.21%
200,000	30	10,000 shares plus 6 out of 30 applicants to receive an additional 10,000 shares	6.00%
300,000	36	10,000 shares plus 24 out of 36 applicants to receive an additional 10,000 shares	5.56%
400,000	25	20,000 shares plus 3 out of 25 applicants to receive an additional 10,000 shares	5.30%
500,000	27	20,000 shares plus 15 out of 27 applicants to receive an additional 10,000 shares	5.11%
600,000	2	30,000 shares	5.00%
700,000	7	30,000 shares plus 3 out of 7 applicants to receive an additional 10,000 shares	4.90%
800,000	4	30,000 shares plus 3 out of 4 applicants to receive an additional 10,000 shares	4.69%
900,000	1	40,000 shares	4.44%
1,000,000	24	40,000 shares plus 2 out of 24 applicants to receive an additional 10,000 shares	4.08%
1,500,000	5	40,000 shares plus 1 out of 5 applicants to receive an additional 10,000 shares	2.80%
2,000,000	4	40,000 shares plus 2 out of 4 applicants to receive an additional 10,000 shares	2.25%
2,500,000	2	50,000 shares	2.00%
3,000,000	2	50,000 shares plus 1 out of 2 applicants to receive an additional 10,000 shares	1.83%
3,500,000	8	60,000 shares plus 2 out of 8 applicants to receive an additional 10,000 shares	1.79%
4,000,000	1	70,000 shares	1.75%
7,000,000	1	90,000 shares	1.29%
25,000,000	1	250,000 shares	1.00%
TOTAL:	<u><u>4,028</u></u>		

The final number of Public Offer Shares is 25,000,000 Offer Shares, representing 10% of the total number of the Offer Shares available under the Share Offer. The final number of Placing Shares is 225,000,000 Offer Shares, representing 90% of the total number of the Offer Shares available under the Share Offer.

LEVEL OF INDICATIONS OF INTERESTS AND ALLOCATION UNDER PLACING

The Offer Shares initially offered under the Placing have been moderately over-subscribed, which is equivalent to 1.25 times of the total number of 225,000,000 Offer Shares initially available under the Placing. The final number of Placing Shares allocated to 259 placees under the Placing is 225,000,000 Placing Shares, representing 90% of the total number of the Offer Shares available under the Share Offer. A total of 146 placees have been allotted five board lots of Shares or less, representing approximately 56.4% of the total number of placees under the Placing. A total of 5,050,000 Placing Shares have been allotted to these placees, representing approximately 2.2% of the Placing Shares.

Pursuant to the Placing, 225,000,000 Placing Shares have been conditionally allocated to a total of 259 selected professional, institutional and other investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Offer Shares under the Share Offer	Approximate aggregate % of the entire issued share capital immediately upon completion of the Share Offer
Top placee	7,980,000	3.6%	3.2%	0.8%
Top 5 placees	34,860,000	15.5%	13.9%	3.5%
Top 10 placees	62,460,000	27.8%	25.0%	6.3%
Top 25 placees	125,920,000	56.0%	50.4%	12.6%

Number of Placing Shares allocated	Number of placees
10,000 to 50,000	146
50,001 to 100,000	17
100,001 to 500,000	26
500,001 to 1,000,000	15
1,000,001 to 2,000,000	12
2,000,001 to 5,000,000	34
5,000,001 or above	9
	<hr/>
	259
	<hr/> <hr/>

The Directors confirm that, to the best of their knowledge and belief, all placees and their ultimate beneficial owners under the Placing are independent and not core connected persons of the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates within the meaning of the GEM Listing Rules, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. None of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-lead Manager and the Underwriters or their respective associates has taken up any Offer Shares for its own benefit under the Share Offer. No placee has been or will be, individually, placed more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing, individually, will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company after the completion of the Share Offer. The Directors confirm that, immediately after completion of the Share Offer, the Company will comply with Rule 11.23(7) of the GEM Listing Rules and the public float of the Company will be 25% of the enlarged issued share capital of the Company, and the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 11.23(8) of the GEM Listing Rules. The Directors confirm that there will be at least 100 Shareholders at the time of the Listing in compliance with Rule 11.23(2)(b) of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESULTS OF ALLOCATIONS

The results of allocations under the Public Offer, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms and through **HK eIPO White Form** Service and through giving **electronic application instructions** to HKSCC via CCASS, will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at www.smartglobehk.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Wednesday, 27 December 2017;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, 27 December 2017 to 12:00 midnight on Tuesday, 2 January 2018;

- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, 27 December 2017 to Tuesday, 2 January 2018 on a Business Day;
- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 27 December 2017 to Friday, 29 December 2017 at all the receiving bank's designated branches set out below:

Bank of China (Hong Kong) Limited

District	Branch name	Address
Hong Kong	North Point Branch	G/F, 391 King's Road, North Point
Kowloon	Mei Foo Branch Nathan Road – SME Banking Centre	Shops N26A & N26B, Stage V, Mei Foo Sun Chuen, 10 & 12 Nassau Street 2/F, Wofoo Commercial Building, 574-576 Nathan Road, Mongkok, Kowloon
New Territories	Tuen Mun Town Plaza – SME Banking Centre	Shop 23, G/F, Tuen Mun Town Plaza (II), 3 Tuen Lung Street, Tuen Mun