

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SMART GLOBE HOLDINGS LIMITED

竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code on GEM: 8485)

UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

Reference is made to (i) the prospectus of Smart Globe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 13 December 2017 (the “**Prospectus**”), which contained the proposed use of net proceeds (the “**Net Proceeds**”) raised from the listing (the “**Listing**”) of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited, (ii) the announcement of the Company dated 21 September 2018 in relation to the change in the use of the Net Proceeds, and (iii) the annual report of the Company for the year ended 31 December 2019 (“**2019 Annual Report**”) in respect of the utilization of the Net Proceeds as at 20 March 2020.

The Net Proceeds from the Listing, after deducting the underwriting fees and other Listing related expenses, amounted to approximately HK\$36.4 million. As at the date of this announcement, the Company had utilized approximately HK\$28.6 million of the Net Proceeds, representing approximately 78.6% of the Net Proceeds. The unutilized Net Proceeds amounted to approximately HK\$7.8 million, representing approximately 21.4% of the Net Proceeds. As at the date of this announcement, there has not been any change to the intended use of the Net Proceeds or the allocated amount as disclosed in the announcement of the Company dated 21 September 2018.

As disclosed in the 2019 Annual Report, the Group did not fully utilize the Net Proceeds according to the planned timeline as set out in the Prospectus. The Company wishes to update its shareholders and potential investors as to the expected timeline on the intended utilization of the Net Proceeds as follows:

Purpose	Revised utilization as disclosed in the announcement dated	Percentage to total amount	Utilised	Utilised	Unutilised	Expected timeline of full utilisation of the balance
	21 September 2018 <i>HK\$'000</i>		amount (as at 20 March 2020) <i>HK\$'000</i>	amount (as at date of this announcement) <i>HK\$'000</i>	amount (as at date of this announcement) <i>HK\$'000</i>	
Purchasing machinery for upgrading our production equipment to enhance level of automation and production efficiency	20,399	56.0%	11,461	13,241	7,158	End of 2020
Repayment of part of our bank and other borrowings	10,933	30.0%	10,933	10,933	—	—
Strengthening sales and marketing efforts and expanding customer base	1,466	4.0%	821	833	633	End of 2021
Additional working capital and other general corporate purposes	3,644	10.0%	3,644	3,644	—	—
Total	36,442	100.0%	26,859	28,651	7,791	

By order of the Board
Smart Globe Holdings Limited
Lam Tak Ling Derek
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 3 July 2020

As at the date of this announcement, the executive Directors are Mr. Lam Tak Ling Derek, Mr. Chan Yee Yeung, 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.smartglobehk.com>.