SMART GLOBE HOLDINGS LIMITED
竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1481)

PROFIT WARNING

This announcement is made by Smart Globe Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After preliminary review by the Company's management of the unaudited management accounts of the Group for the year ended 31 December 2021 and assessment of the information currently available, the board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a profit after tax in the range of approximately HK$1.0 million to HK$3.0 million for the year ended 31 December 2021 compared with an audited profit after tax of approximately HK$16.0 million for the year ended 31 December 2020, representing a decrease of approximately 81.3% to 93.8%. The reason for the decrease in unaudited profit for the year ended 31 December 2021 was mainly attributable to (i) increase in wages of factory workers during the year ended 31 December 2021; (ii) increase in paper cost at the beginning and throughout the year ended 31 December 2021; (iii) change in pricing strategy to capture more market shares during the year ended 31 December 2021 as the Company used a more competitive price with lower gross profit margin to attract more customer orders. It is expected that sales of the Group increased by 32.0% from approximately HK$127.2 million in the year ended 31 December 2020 to approximately HK$167.9 million in the year ended 31 December 2021, while the gross profit ratio decreased from approximately 30.1% to approximately 15.8% during the year ended 31 December 2021; and (iv) a slight increase in selling and distribution cost and administrative expenses.

As the Company is still in the process of finalising the consolidated results of the Group for the year ended 31 December 2021, the information contained in this announcement is only a preliminary assessment by the Board according to the latest management accounts of the Group currently available, which has not been audited by the Group's auditor or reviewed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the period which is expected to be published in March 2022 in accordance with the Listing Rules.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 January 2022

As at the date of this announcement, the executive Directors are Mr. LAM Tak Ling Derek, Mr. CHAN Yee Yeung; and 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, JP.