

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: 1481)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- The revenue of Smart Globe Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) amounted to approximately HK\$131.6 million for the year ended 31 December 2022 (“**FY22**”) (for the year ended 31 December 2021 (“**FY21**”): approximately HK\$167.9 million), representing a decrease of approximately 21.6% as compared to FY21.
- The loss of the Group is approximately HK\$16.5 million for FY22 (FY21: profit of approximately HK\$1.6 million), the loss is mainly attributable to the combined effect of (i) an increase in paper cost throughout FY22 and such increment in cost cannot transfer to customer; (ii) lower sales volume and lower price was offered to customers due to keen market competition and (iii) an increase in administrative expenses.
- Basic loss per share for FY22 was approximately HK1.64 cents (FY21: basic earnings per share: HK0.16 cents).
- The board (the “**Board**”) of directors of the Company (the “**Directors**”) does not recommend the payment of any final dividend for FY22 (FY21: final dividend: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In view of the uncertain global economy, the Group strives to launch various credit controls, and further tighten the control over operating expenses, while streamlining production control and improving manufacturing efficiency with technology advanced machinery to minimise the labour cost and maximise the facility utilisation rate.

Business Review

As one of the leading printing service providers, the Group is engaged in its core business of printing books products, and novelty and packaging products. It provides a full suite of services from pre-press to printing to finishing services, as well as producing customised and value added printing products.

For FY22, the Group recorded a decrease in its total revenue by approximately 21.6% to approximately HK\$131.6 million from approximately HK\$167.9 million for FY21. This was mainly due to the decrease in sale in the book product segment in the United States (“U.S.”) and Hong Kong (“HK”). Loss of the Group was approximately HK\$16.5 million for FY22 whereas a profit of approximately HK\$1.6 million was recorded for FY21 which is mainly attributable to the combined effect of (i) an increase in paper cost throughout FY22 and such increment in cost cannot transfer to customer; (ii) lower sales volume and lower price was offered to customers due to keen market competition; and (iii) an increase in administrative expenses.

During FY22, approximately 95.0% of total revenue was contributed by the book products segment amounting to approximately HK\$125.0 million (FY21: approximately HK\$155.9 million). This segment’s revenue decreased during FY22 mainly due to the decrease in customer orders received from HK and U.S.

As a strategy to maintain competitiveness in the current operating environment, the Group continue to extend its geographical reach of customers during FY22. Revenue were generated from areas such as U.S., the People’s Republic of China (the “PRC”) (including HK), the United Kingdom and the Netherlands, representing 20.3%, 48.7%, 8.2% and 5.1% of our total revenue, respectively.

Outlook

In the year ahead, the Group will continue to explore and capture new business opportunities for potential growth by enhancing our marketing strategy to expand our quality customer base and promote our one-stop printing services to existing and potential customers as well as the Group will strive to further tighten control over its operating expenses and streamline the production processes.

Meanwhile, by leveraging its leading one-stop printing platform, the Group will continue to invest in enhancing its capabilities to improve the overall production efficiency and prepare for any opportunity and potential growth in the future.

The Group will also cautiously explore viable investment and acquisition opportunities that can enhance value of the shareholders of the Company (“**Shareholders**”).

Financial Review

Revenue

The revenue decreased by approximately 21.6% from approximately HK\$167.9 million for FY21 to approximately HK\$131.6 million for FY22. This was mainly due to the effect of less orders received from customers based in HK and U.S.

Gross profit margin

The overall gross profit margin decreased from approximately 15.8% in FY21 to approximately 5.8% in FY22. The decrease in gross profit margin was mainly attributable to (i) an increase in paper cost throughout FY22 and such increment in cost cannot transfer to customer; and (ii) lower sales volume and lower price was offered to customers due to keen market competition.

Other income

The other income increased by 31.2% from approximately HK\$0.5 million in FY21 to approximately HK\$0.6 million in FY22. The increase was mainly due to the increase in receipt of government grants of HK\$0.2 million in FY22 as other income.

Provision of allowance for credit losses on trade receivables, net

The amount represented a provision of allowance for credit losses on trade receivables mainly due to the increase in trade receivables that were considered irrecoverable in FY22.

Other gains and losses

The other gains and losses increased by more than 100.0% from other losses of approximately HK\$0.2 million in FY21 to gains of approximately HK\$1.9 million in FY22. Such variance is mainly due to the increase in exchange gain of approximately HK\$2.1 million in FY22.

Selling and distribution costs

The distribution costs decreased by approximately 20.4% from approximately HK\$9.5 million in FY21 to approximately HK\$7.6 million in FY22. This was mainly due to the decrease of approximately HK\$1.3 million in transportation and freight charges resulting from lower sales volume in FY22.

Administrative expenses

The administrative expenses increased by approximately 20.2% from approximately HK\$15.0 million in FY21 to approximately HK\$18.1 million in FY22. The increase is mainly due to the increase in legal and professional fees of approximately HK\$2.9 million in FY22.

Finance costs

The finance costs decreased by 41.2% from approximately HK\$0.3 million in FY21 to approximately HK\$0.2 million in FY22. This was mainly due to the decrease in interest expense on lease liabilities incurred in FY22.

Income tax expense

The income tax expense decreased by more than 100.0% from approximately HK\$1.1 million in FY21 to nil in FY22. It was mainly due to the relevant group entities did not have assessable profit that is subject to HK profits tax and PRC Enterprise Income Tax in FY22.

Loss for the year

As a result of the above factors, loss for FY22 stood at approximately HK\$16.5 million (FY21: profit of approximately HK\$1.6 million).

The above financial data were chosen to be presented in this announcement as they represent a material financial impact on the financial statements of the Group for FY21 and/or FY22. The Board believes that by presenting the changes of these financial data, they can effectively explain the financial performance of the Group for FY22.

FUTURE DEVELOPMENT AND PROSPECTS

In the year ahead, the Group will continue to utilise its growth potential. The Group will continue to explore new business opportunities for existing products in different markets so as to promote a diversified quality customer base by implementing strategic initiatives and enhancing marketing efforts. In addition, the Group will strive to tighten control over its operating expenses and streamline the production processes.

Meanwhile, by leveraging its leading one-stop printing platform, the Group will continue to enhance its capabilities. Improved production efficiency and the enhancement of manufacturing flexibility are expected to add a competitive advantage to the Group and hence may generate more sales orders from both existing and new customers.

Furthermore, the Group will seek to use the net proceeds from the Placing for possible development of pharmaceutical related projects.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for FY22 and FY21.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company during FY22. The share capital of the Group only comprises of ordinary shares.

Upon the completion of placing of new shares under general mandate on 5 August 2022, the issued share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each to HK\$10,200,000 divided into 1,020,000,000 shares of HK\$0.01 each.

Save as disclosed above and in the section headed “LIQUIDITY AND FINANCIAL RESOURCES” of this announcement, there was not any other material change on the Company’s overall share capital structure for the year ended 31 December 2022.

LIQUIDITY AND FINANCIAL RESOURCES

On 29 June 2022, the Company conducted a placing of 80,000,000 Shares of HK\$0.01 each to not less than six independent placees at a placing price of HK\$1.05 each, which represented a discount of approximately 11.02% to the closing price of HK\$1.18 per Share on 29 June 2022, i.e. the date of the placing agreement. Further details are contained in the Company's announcement dated 29 June 2022. The said placing was completed on 5 August 2022, the Company placed an aggregate of 20,000,000 Placing Shares, raising net proceeds of approximately HK\$20.7 million to the Group. As at the date of this announcement, the net proceeds have been utilised as to approximately HK\$7.0 million for development of pharmaceutical related projects. The remaining proceeds are expected to be utilised in the year 2023.

The Group financed its operations with shareholders' equity and cash generated from operations.

The Group maintained bank deposits, bank balances and cash amounting to approximately HK\$57.1 million as at 31 December 2022 (31 December 2021: approximately HK\$32.5 million), increased by approximately 75.8% as compared with that as at 31 December 2021. The functional currency of the Company is HK dollar. As at 31 December 2022, 84.7% of the Group's cash and bank balances was denominated in HK dollar (31 December 2021: 86.6%) and the remaining 15.3% (31 December 2021: 13.4%) in other currencies, mainly Renmibi ("RMB") (2021: Euros).

The Group's non-current assets decreased to approximately HK\$43.3 million as at 31 December 2022 (31 December 2021: approximately HK\$45.9 million), primarily due to the net effect of depreciation of property, plant and equipment, addition of property, plant and equipment and increased deposit paid for potential investment.

As at 31 December 2022, the Group's current assets amounted to approximately HK\$107.0 million, mainly comprised of inventories of approximately HK\$14.8 million (31 December 2021: approximately HK\$36.2 million), trade and other receivables of approximately HK\$34.4 million (31 December 2021: approximately HK\$42.4 million), tax receivable of approximately HK\$0.6 million (31 December 2021: approximately HK\$2.3 million) and bank balance and cash of approximately HK\$57.1 million (31 December 2021: approximately HK\$32.5 million).

As at 31 December 2022, the Group's current liabilities amounted to approximately HK\$18.7 million, mainly comprised of trade and other payables of approximately HK\$15.6 million (31 December 2021: approximately HK\$20.8 million), contract liabilities of approximately HK\$1.1 million (31 December 2021: approximately HK\$0.1 million), taxation payable of approximately HK\$0.2 million (31 December 2021: approximately HK\$0.5 million), lease liabilities of approximately HK\$1.8 million (31 December 2021: approximately HK\$2.2 million).

As at 31 December 2022, the net current assets of the Group decreased by approximately HK\$1.5 million or approximately 1.7% to approximately HK\$88.3 million (31 December 2021: approximately HK\$89.8 million).

The Group had lease liabilities of approximately HK\$1.8 million as at 31 December 2022 (31 December 2021: approximately HK\$4.0 million).

The Group's gearing ratio, which is total interest-bearing liabilities divided by total equity was approximately 1.4% as at 31 December 2022 (31 December 2021: approximately 3.0%). The Group's current ratio (calculated on the basis of the Group's current assets over current liabilities) stood at approximately 5.7 as at 31 December 2022 (2021: approximately 4.8).

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. To manage the Group's liquidity risk, the management monitors the Group's liquidity position and maintains sufficient cash and cash equivalents within the Group, as well as ensuring the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

As its revenue is mainly denominated in United States dollars ("US\$") and Hong Kong dollars ("HK\$"), and HK\$ is pegged to US\$, the Group's exposure to fluctuations in exchange rate in relation to the Group's revenue is relatively low.

The Group is also exposed to foreign exchange risks as the Group's production is mainly in the PRC. The appreciation of RMB may lead to an increase of our cost of production. During FY21, the Group has not entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks. The Group will keep on reviewing and monitoring the exchange fluctuation between RMB and HK\$, and will consider entering into hedging arrangement as and when appropriate.

CAPITAL EXPENDITURE

During FY22, the Group had acquired plant and equipment at approximately HK\$1.1 million (FY21: HK\$8.1 million).

CAPITAL COMMITMENTS

As at 31 December 2022, the Group had no significant capital commitments (FY21: Nil).

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no material contingent liabilities (FY21: Nil).

MATERIAL INVESTMENTS

The Group had not made or held any significant investments during FY22 (FY21: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in “Future Plans and Use of Proceeds” of the prospectus of the Company, the Group did not have other plans for material investments or capital assets.

CHARGE ON GROUP’S ASSETS

As at 31 December 2022, the Group did not have any charge on its assets (FY21: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

During FY22, the Group had not made any significant acquisition or disposal of subsidiaries, associates or joint venture.

EMPLOYEES’ INFORMATION AND EMOLUMENT POLICIES

Employees of the Group

Our employees are based in Hong Kong and Heyuan, Guangdong Province, the PRC. As at 31 December 2022, there were 319 (2021: 334) employees in the Group. The total staff costs, including directors’ emoluments, amounted to approximately HK\$42.4 million for FY22 (FY21: approximately HK\$53.9 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

Employees of Heyuan Factory

The workers working at our production site located at Heyuan Hi-Tech Development Zone, Heyuan, Guangdong Province, the PRC (“**Heyuan Factory**”) are employed by the Heyuan Factory. As at 31 December 2022, there were 306 (2021: 332) employees in the He Yuan Factory.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the securities of the Company during FY22.

UPDATE ON DIRECTORS’ INFORMATION

The change in the information of the Directors which are required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules are set out below:

Mr. Ong Chor Wei, an independent non-executive Director, was resigned as an independent non-executive director of Nameson Holdings Limited (stock code: 1982) on 12 April 2022.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

FINANCIAL HIGHLIGHTS

(Loss) Earnings per share (HK cents)

(Loss) earnings per ordinary share based on (loss) profit attributable to owners of the Group

	2022	2021
(i) Based on weighted average number of ordinary shares	<u>HK (1.64) cents</u>	<u>HK 0.16 cents</u>
(ii) On a fully diluted basis	<u>Not applicable</u>	<u>Not applicable</u>

The calculation of basic loss per share is based on the loss of the Company of approximately HK\$16,500,000 for FY22 (2021: profit of approximately HK\$1,649,000) and on the weighted average number of approximately 1,008,164,000 (2021: 1,000,000,000) ordinary shares in issue during FY22.

Diluted earnings per share for the years ended 31 December 2022 and 2021 are not presented as there is no dilutive potential ordinary share.

Revenue (HK\$'000)

	Year ended 31 December				
	2018	2019	2020	2021	2022
Revenue	<u>123,812</u>	<u>132,194</u>	<u>127,213</u>	<u>167,899</u>	<u>131,647</u>

Net profit (loss) for the year (HK\$'000)

	Year ended 31 December				
	2018	2019	2020	2021	2022
Profit (loss) for the year attributable to owners of the Company	<u>17,838</u>	<u>23,142</u>	<u>16,001</u>	<u>1,649</u>	<u>(16,500)</u>

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report in Appendix to the Listing Rules (the "CG Code"). The CG Code and code provisions specified below refer to the CG Code and code provisions effective on 1 January 2022.

During FY22, the Company has complied with the code provisions in the CG Code, except the following deviations:

- (1) Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company are not appointed for specific terms, but they are subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the articles of associations of the Company (the "Articles of Association").

- (2) Code Provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should not be performed by the same individual. Mr. Lam Tak Ling Derek is currently performing the roles of chairman and chief executive officer of the Company. Taking into account Mr. Lam's strong expertise in the printing industry, the Board considered that the roles of chairman and chief executive officer being performed by Mr. Lam enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. In order to maintain good corporate governance and fully comply with such code provision, the Board will regularly review the need to appoint different individuals to perform the roles of chairman and chief executive officer separately.

The Board will continue to monitor and renew the Company's corporate governance practices to ensure compliance with the CG Code.

The Board conducted reviews of the system of internal controls of the Group to ensure an effective and adequate internal control system is in place. The Board also conducted meetings to discuss financial, operational and risk management control.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standards of dealings set out in the Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the year ended 31 December 2022.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 4 December 2017 (the "**Scheme**"). No share options have been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2022.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on the information that is publicly available to the Company, at least 25% of the Company's issued share capital were held by the public as at the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on 29 May 2023 (Monday) (the “**AGM**”), the register of members of the Company will be closed from 23 May 2023 (Tuesday) to 29 May 2023 (Monday), both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 pm. on 22 May 2023 (Monday).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises Mr. Li Chun Hung, Mr. Ong Chor Wei and Mr. Yam Kam Kwong, all of whom are independent non-executive directors of the Company. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Audit Committee has reviewed the results of the Group for FY22.

ANNUAL GENERAL MEETING

The AGM will be held on 29 May 2023 (Monday). A notice convening the meeting will be issued and sent to the Shareholders in due course.

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3	131,647	167,899
Cost of sales		<u>(123,978)</u>	<u>(141,397)</u>
Gross profit		7,669	26,502
Other income	4	593	452
(Allowance) reversal of allowance for credit losses on trade receivables, net		(838)	886
Other gains and losses	5	1,865	(243)
Selling and distribution costs		(7,552)	(9,483)
Administrative expenses		(18,057)	(15,020)
Finance costs		<u>(180)</u>	<u>(306)</u>
(Loss) profit before taxation		(16,500)	2,788
Taxation	6	<u>—</u>	<u>(1,139)</u>
(Loss) profit for the year		(16,500)	1,649
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising from translation of a foreign operation (with nil tax effect)		<u>(6,459)</u>	<u>2,484</u>
Total comprehensive (expense) income for the year		<u>(22,959)</u>	<u>4,133</u>
(Loss) earnings per share			
— Basic (HK cents)	8	<u>(1.64)</u>	<u>0.16</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		36,318	45,933
Deposit paid for potential investment	9	7,000	—
		43,318	45,933
Current assets			
Inventories		14,844	36,230
Trade and other receivables	9	34,432	42,350
Taxation recoverable		608	2,309
Bank balances and cash		57,085	32,466
		106,969	113,355
Current liabilities			
Trade and other payables	10	15,587	20,792
Contract liabilities		1,068	121
Taxation payable		222	451
Lease liabilities		1,803	2,200
		18,680	23,564
Net current assets		88,289	89,791
Total assets less current liabilities		131,607	135,724
Non-current liabilities			
Lease liabilities		—	1,843
NET ASSETS		131,607	133,881
Capital and reserves			
Share capital	11	10,200	10,000
Reserves		121,407	123,881
TOTAL EQUITY		131,607	133,881

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2022

1 GENERAL INFORMATION

Smart Globe Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and the ordinary shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2017. On 11 December 2020, the ordinary shares of the Company transferred and listed on the Main Board of the Stock Exchange. The immediate holding company and ultimate holding company is Master Sage Limited, a company incorporated in the British Virgin Islands, which is ultimately controlled by Mr. Lam Tak Ling Derek and Mr. Chan Yee Yeung.

2 APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3 REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received or receivable from production and printing of books, novelty and packaging products. The Group's contracts with customers for books products and novelty and packaging products are based on customer's specification with no alternative use to the Group. Taking into consideration for contract terms and the relevant legal and regulatory environment that apply to those relevant contracts, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specified location. Transporting and handling activities that occur before customers obtain control are considered as fulfilment activities. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 60 to 120 days upon delivery.

For certain of the Group's new customers, the Group receives deposits before production commences, which gives rise to contract liabilities until the goods have been delivered to the customers.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations is not disclosed.

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of performance, focuses specifically on the revenue analysis of the Group's core business of printing books products and novelty and packaging products. No further discrete financial information is provided. Accordingly, no segment information is presented other than entity wide disclosures. The Group's operations are located in Hong Kong and the PRC.

The disaggregated information of revenue is as follows:

Revenue from major products

The followings is an analysis of the Group's revenue from its major products which is recognised at a point in time:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Books products	125,006	155,912
Novelty and packaging products	6,641	11,987
	<u>131,647</u>	<u>167,899</u>

Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers and the Group's non-current assets, excluding financial instruments, presented based on the geographical location of the assets is as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	57,913	74,399
United States	26,773	42,806
United Kingdom	10,746	18,622
Netherlands	6,665	5,110
Australia	8,280	8,104
The PRC	6,139	7,185
France	7,410	6,749
Others	7,721	4,924
	<u>131,647</u>	<u>167,899</u>

	Non-current assets	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
The PRC	35,701	45,829
Hong Kong	617	104
	<u>36,318</u>	<u>45,933</u>

Revenue from customers contributing over 10% of total revenue of the Group during the year are as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer I	39,767	41,297
Customer II	N/A¹	25,326
Customer III	13,224	N/A ¹
	<u>13,224</u>	<u>N/A¹</u>

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4 OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Government grants (<i>note</i>)	470	313
Bank and other interest income	41	27
Sundry income	82	112
	<u>593</u>	<u>452</u>

Note: Government grants represent export incentive and other incentive payments received by the Group from the relevant government department. There are no unfulfilled conditions attached to those grants.

5 OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net exchange gain (loss)	1,854	(260)
Gain on disposal of property, plant and equipment, net	11	17
	<u>1,865</u>	<u>(243)</u>

6 TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax		
Charge for the year	—	542
Underprovision in prior year	—	10
	—	552
PRC Enterprise Income Tax		
Charge for the year	—	584
Underprovision in prior year	—	3
	—	587
	<u>—</u>	<u>1,139</u>

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2022 as the relevant group entities did not have assessable profits subject to Hong Kong Profits Tax for the year. For 2021, the Hong Kong Profits Tax of the qualifying group entity was calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years. No provision for the PRC Enterprise Income Tax has been made for the year ended 31 December 2022 as the PRC subsidiary did not have assessable income subject to the PRC Enterprise Income Tax for the year.

7 DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividend for ordinary shareholders of the Company recognised as distribution for the year:		
2021 Final — HK\$nil (2021: 2020 final dividend HK0.5 cent) per share	<u>—</u>	<u>5,000</u>

No dividend has been proposed by the directors of the Company since the end of the reporting period (2021: HK\$nil).

8 (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share for the year is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) profit for the year attributable to owners of the Company	<u>(16,500)</u>	<u>1,649</u>
	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>1,008,164</u>	<u>1,000,000</u>

No diluted earnings per share is presented as there were no potential ordinary shares in issue during the year.

9 TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current asset		
Deposit paid for potential investment (<i>note (a)</i>)	<u>7,000</u>	<u>—</u>
Current assets		
Trade receivables	34,119	40,279
Less: Allowance for credit losses	<u>(1,793)</u>	<u>(955)</u>
	32,326	39,324
Rental deposits	142	171
Prepayments and deposits	<u>1,964</u>	<u>2,855</u>
	<u>34,432</u>	<u>42,350</u>
Total trade and other receivables	<u><u>41,432</u></u>	<u><u>42,350</u></u>

Note:

- (a) The deposit paid for potential investment represented an advancement of HK\$7,000,000 to Fuyou Pharmaceutical Technology (Suzhou) Co., Ltd (“**Fuyou Pharmaceutical**”), the shareholder of Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd (“**Hubei Kang Shi Zhen**”) during the year. This advancement is denominated in Hong Kong dollars, interest free and secured by the pledge of 10% equity interest in favour of the Company in Hubei Kang Shi Zhen. The advancement will form part of the subscription amount for the Company to subscribe 30% enlarged registered capital in Hubei Kang Shi Zhen (the “**Acquisition**”). Up to the date of approval of these consolidated financial statements, the Acquisition was not yet completed. The carrying amount of the deposit paid for potential investment approximate its fair value. References should be made to the announcements of the Company dated 15 July 2022, 15 August 2022, 12 October 2022, 30 November 2022 and 31 January 2023 regarding the details of the Acquisition and the advancement.

The Group allows credit period ranging from 30 to 90 days. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the goods delivery date, which were the respective revenue recognition dates, at the end of reporting period:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	11,708	10,852
31 to 60 days	4,510	12,879
61 to 90 days	4,506	6,318
Over 90 days	11,602	9,275
	<u>32,326</u>	<u>39,324</u>

10 TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	8,425	11,568
Accrued expense	5,530	7,205
Other payables	1,632	2,019
	<u>15,587</u>	<u>20,792</u>

The credit period of trade payables is 30 to 90 days.

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	5,891	10,098
31 to 60 days	2,173	1,360
61 to 90 days	272	11
Over 90 days	89	99
	<u>8,425</u>	<u>11,568</u>

11 SHARE CAPITAL

The share capital as at 31 December 2022 and 31 December 2021 represents the issued share capital of the Company with details as follows:

	Number of shares	Share capital HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 January 2021, 31 December 2021 and 31 December 2022	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 January 2021, 31 December 2021 and 1 January 2022	1,000,000,000	10,000
Issue of shares (<i>note (a)</i>)	<u>20,000,000</u>	<u>200</u>
At 31 December 2022	<u>1,020,000,000</u>	<u>10,200</u>

Note

- (a) On 5 August 2022, the Company placed an aggregate of 20,000,000 new shares, representing approximately 1.96% of the issued share capital of the Company immediately following the completion of the placing at the placing price of HK\$1.05 per placing share. The gross proceeds of the placing are approximately HK\$21,000,000. The net proceeds of the placing are approximately HK\$20,685,000 after deducting the relevant expenses for the placing. The Company will use the net proceeds for possible development of pharmaceutical related projects. Details of this share placing are set out in the Company's announcements dated 29 June 2022, 14 July 2022 and 5 August 2022.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS

Scope of work of Baker Tilly Hong Kong Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support.

By Order of the Board
Smart Globe Holdings Limited
Lam Tak Ling Derek
Chairman

Hong Kong, 30 March 2023

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, JP.