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TeraMetal Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)



SMART GLOBE HOLDINGS LIMITED

竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1481)

JOINT ANNOUNCEMENT

**POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
ASIAN CAPITAL LIMITED
FOR AND ON BEHALF OF TERAMETAL HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SMART GLOBE HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY TERAMETAL HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Sellers that on 26 April 2023 (after trading hours), the Offeror and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, in aggregate, 750,000,000 Sale Shares, representing approximately 73.53% of the issued share capital of the Company as at the date of this joint announcement, at the aggregate consideration of HK\$196,050,000 (representing HK\$0.2614 per Sale Share).

Completion shall take place within seven (7) Business Days after the date on which the last of the conditions precedent have been satisfied (or waived, if applicable), or such other date as may be agreed by the Offeror and the Sellers in writing.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, neither the Offeror nor any party acting in concert with it owns (or has control or direction over) any Shares or any other convertible securities, options, warrants or derivatives in the Company. Immediately following the Completion, the Offeror and parties acting in concert with it will be interested in 750,000,000 Shares (representing approximately 73.53% of the total issued share capital of the Company).

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

Subject to the Completion, Asian Capital will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.2614 in cash

The Offer Price of HK\$0.2614 per Offer Share under the Offer equals to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Value of the Offer

As at the date of this joint announcement, there are 1,020,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.2614 per Offer Share, the entire issued share capital of the Company would be valued at HK\$266,628,000.

Excluding the Sale Shares and assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer, a total of 270,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.2614 per Offer Share and on the basis of full acceptance of the Offer, the maximum payment obligations payable by the Offeror under the Offer would be HK\$70,578,000.

Confirmation of Financial Resources

The Offeror intends to finance the maximum payment obligations payable for the Offer by its own internal resources. Asian Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable under the Sale and Purchase Agreement and the maximum consideration payable under the Offer.

INTENTION OF THE OFFEROR REGARDING THE GROUP

The Offeror will continue to support the independent operation of the Company and maintain the Company's listing status in the Hong Kong capital market. It is the intention of the Offeror that the Company will continue to focus on the development of its Existing Businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group upon the close of the Offer.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code) or to dispose of or re-allocate the Group's fixed assets which relate to the ordinary and usual course of business of the Group as a result of completion of the Offer. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

As at the date of this joint announcement, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely, Mr. Li Chun Hung, Mr. Ong Chor Wei and Mr. Yam Kam Kwong, *JP* who have no direct or indirect interest in the Offer, has been established to make recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) the letter from the independent financial adviser in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

WARNING

Shareholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement. Shareholders should read the Composite Document carefully, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the independent financial adviser, before forming a view on the Offer.

Shareholders and potential investors are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

The Company was informed by the Sellers that on 26 April 2023 (after trading hours), the Offeror and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, in aggregate, 750,000,000 Sale Shares, representing approximately 73.53% of the issued share capital of the Company as at the date of this joint announcement, at the aggregate consideration of HK\$196,050,000 (representing HK\$0.2614 per Sale Share). A summary of the salient terms of the Sale and Purchase Agreement is set out below:

THE SALE AND PURCHASE AGREEMENT

Date:

26 April 2023

Parties:

- (i) Seller I and Seller II (as the Sellers);
- (ii) the Offeror (as the purchaser); and
- (iii) the Sellers' Guarantors (as the guarantors of the Sellers)

Subject Matter

The Offeror conditionally agreed to purchase and the Sellers conditionally agreed to sell, in aggregate, 750,000,000 Sale Shares (representing approximately 73.53% of the entire issued share capital of the Company as at the date of this joint announcement) at the aggregate consideration of HK\$196,050,000 (representing HK\$0.2614 per Sale Share).

The Sale Shares to be sold by the Sellers are set out below:

Sellers	Number of Sale Shares	Approximate % of issued Shares as at the date of this joint announcement
Seller I	675,000,000	66.18%
Seller II	75,000,000	7.35%

The Sale Shares to be acquired by the Offeror shall be free from all encumbrances and together with all rights and benefits attached and accrued to them including, without limitation, all dividends and distributions declared, made or paid, on or after the date of Completion.

Consideration

The total Consideration of HK\$196,050,000 (equivalent to HK\$0.2614 per Sale Share), to be paid by the Offeror in the following manner:

- (a) an aggregate amount of HK\$93,025,000, representing approximately 47.45% of the Consideration, shall be payable in cash by the Offeror to the Seller II (for itself and on behalf of Seller I) (to which the Earnest Money shall be applied to partially set off such amount) on the date of the Sale and Purchase Agreement; and
- (b) an aggregate amount of HK\$103,025,000, representing approximately 52.55% of the Consideration, shall be payable in cash by the Offeror to the Seller II (for itself and on behalf of Seller I) on the date of the Completion.

The Consideration was determined after arm's length negotiations between the Offeror and the Sellers taking into account, among other things, (i) the historical operating and financial performance of the Group; (ii) the financial position of the Group; (iii) the historical liquidity and market prices of the Shares; and (iv) the current market conditions.

Conditions Precedent to the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Completion is subject to the satisfaction (or waiver, where applicable) of the following conditions on or before the Long Stop Date:

- (a) the Stock Exchange and the Executive advising that they have no further comment on this joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement;
- (b) the warranties given by the Seller under the Sale and Purchase Agreement remaining true, accurate and not misleading in all material respects as given as at the date of the Sale and Purchase Agreement and as at the Completion;
- (c) (i) the current listing of the Shares not having been cancelled or withdrawn, (ii) the Shares continuing to be traded on the Stock Exchange prior to the date of the Completion (save for any temporary suspension for no longer than seven (7) consecutive trading days or such other period as the Offeror may agree in writing or the temporary suspension in connection with transactions contemplated under the Sale and Purchase Agreement); and (iii) neither the Stock Exchange nor the SFC having indicated before the date of the Completion that it will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement;

- (d) completion of a due diligence review of the Group to the satisfaction of the Offeror, including but without limitation to the assets, liabilities, contracts, commitments of the Group, and its business and financial, legal, taxation and compliance aspects;
- (e) all necessary consents, confirmations, approvals and authorisations having been obtained from the SFC and the Stock Exchange in connection with the transactions contemplated under the Sale and Purchase Agreement;
- (f) there being no applicable law, litigation or arbitration which prohibits, restricts or imposes conditions or limitations on the transactions under the Sale and Purchase Agreement;
- (g) all applicable legal or contractual or any other requirements, rules and regulations, including but not limited to the Listing Rules and the Takeovers Code, for implementing all the transactions contemplated under the Sale and Purchase Agreement shall have been duly complied with by the Company, including but not limited to the obtaining of all relevant approvals and consents; and
- (h) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on (i) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of the Company or of the Subsidiaries, or (ii) the ability of the Sellers or the Sellers' Guarantors to perform or observe any of its/his/her obligations, undertakings or covenants under the Sale and Purchase Agreement.

Save for the conditions precedent as set out in paragraphs (b), (d) and (h) above which may be waived by the Offeror at its absolute discretion, no other conditions may be waived.

As at the date of this joint announcement, the parties to the Sale and Purchase Agreement are not aware of any necessary consent, confirmation, approval and authorisation required to be obtained from any relevant government, or regulatory authorities or any other third parties for entering into and the implementation of the Sale and Purchase Agreement and the transaction contemplated thereunder.

If any of the conditions precedent above is not fulfilled or waived on or before on the Long Stop Date, (a) none of the Sellers or the Offeror shall be obliged to proceed to Completion; (b) the provisions (other than certain surviving provisions such as definitions, restriction on announcement and disclosure, notices, cost and expenses, governing law and jurisdiction and third party rights) of the Sale and Purchase Agreement shall from such date cease to have any effect; and (c) none of the Sellers, Sellers' Guarantors or the Offeror shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any of the provisions of the Sale and Purchase Agreement.

As at the date of this joint announcement, save for condition(a), all of the conditions precedent have not been satisfied.

Guarantee

Pursuant to the Sale and Purchase Agreement, the Sellers' Guarantors irrevocably and unconditionally, jointly and severally undertake and guarantee (a) the full, prompt, complete and due performance by the Sellers of all and any of their obligations under the Sale and Purchase Agreement; and (b) the due and punctual payment of all sums subsequently payable by the Sellers to the Offeror under the Sale and Purchase Agreement when the same shall become due (such as judgment sum or damages arising from (i) triggering the indemnity clause in the Sale and Purchase Agreement or (ii) the Sellers' default in payment under the Sale and Purchase Agreement). The Sellers' Guarantors further undertake to the Offeror that if the Sellers default in the payment of any sum under the Sale and Purchase Agreement, then any of the Sellers' Guarantors will forthwith on demand by the Offeror pay such sum to the Offeror.

The guarantee is a continuing guarantee on a joint and several basis and shall remain in full force and effect unless and until: (a) all the obligations of the Sellers under the Sale and Purchase Agreement have been fully, promptly and completely performed and all sums subsequently payable by the Sellers to the Offeror have been fully and punctually paid; and (b) no further obligations or further liabilities (whether known, actual or contingent) of the Sellers may arise under the Sale and Purchase Agreement.

Completion

Completion shall take place within seven (7) Business Days after the date on which the last of the conditions precedent have been satisfied (or waived, if applicable), or such other date as may be agreed by the Offeror and the Sellers in writing.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, neither the Offeror nor any party acting in concert with it owns (or has control or direction over) any Shares or any other convertible securities, options, warrants or derivatives in the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in 750,000,000 Shares (representing approximately 73.53% of the total issued share capital of the Company).

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

Subject to the Completion, Asian Capital will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

The Offer

For each Offer ShareHK\$0.2614 in cash

The Offer Price of HK\$0.2614 per Offer Share under the Offer equals to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and interests attaching thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. As at the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and has no intention to make any distribution or declare dividends before the Closing Date.

The Offer Price

The Offer Price of HK\$0.2614 per Offer Share represents:

- (a) a discount of approximately 17.02% to the closing price of HK\$0.3150 per Share as quoted on the Stock Exchange on 26 April 2023, being the Last Trading Day;
- (b) a discount of approximately 15.40% to the average closing price of approximately HK\$0.3090 per Share based on the daily closing prices as quoted on the Stock Exchange for five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 13.73% to the average closing price of approximately HK\$0.3030 per Share based on the daily closing prices as quoted on the Stock Exchange for ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 9.65% to the average closing price of approximately HK\$0.2893 per Share based on the daily closing prices as quoted on the Stock Exchange for thirty (30) consecutive trading days immediately prior to and including the Last Trading Day; and

- (e) a premium of approximately 102.64% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.129 per Share as at 31 December 2022, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$131.6 million as at 31 December 2022 by 1,020,000,000 Shares in issue as at the date of this joint announcement.

Highest and Lowest Closing Price of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the offer period (as defined under the Takeovers Code) (i.e. 27 October 2022) and up to and including the Last Trading Day were HK\$0.410 per Share (on 14 November 2022 and 21 November 2022) and HK\$0.255 per Share (on 3 April 2023), respectively.

Value of the Offer

As at the date of this joint announcement, there are 1,020,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.2614 per Offer Share, the entire issued share capital of the Company would be valued at HK\$266,628,000.

Excluding the Sale Shares and assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer, a total of 270,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.2614 per Offer Share and on the basis of full acceptance of the Offer, the maximum payment obligations payable by the Offeror under the Offer would be HK\$70,578,000.

Confirmation of Financial Resources

The Offeror intends to finance the maximum payment obligations payable for the Offer by its own internal resources. Asian Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable under the Sale and Purchase Agreement, and the maximum consideration payable under the Offer.

Effect of Accepting the Offer

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Acceptance of the Offer by any Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances whatsoever together with all rights and interests attaching thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong Stamp Duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Shareholders who accept the Offer. The Offeror will then arrange for payment of the stamp duty on behalf of those Shareholders who accepted the Offer. The Offeror will bear the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the date of receipt of a duly completed acceptance of the Offer.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Taxation Advice

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Company, the Offeror or parties acting in concert with it or any of their respective directors, officers or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such overseas jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent (which may or may not be granted), may not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. To the best knowledge of the Directors, there is no Overseas Shareholder as at the date of this joint announcement.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that, as at the date of this joint announcement:

- (a) neither the Offeror nor any person acting in concert with it (including the Sellers and the Sellers' Guarantors), owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities;
- (b) save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, neither the Offeror nor any person acting in concert with it (including the Sellers and the Sellers' Guarantors) had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to and including the date of this joint announcement;
- (c) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror or any person acting in concert with it (including the Sellers and the Sellers' Guarantors), is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) neither the Offeror nor any person acting in concert with it (including the Sellers and the Sellers' Guarantors) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (f) neither the Offeror nor any person acting in concert with it (including the Sellers and the Sellers' Guarantors) has received any irrevocable commitment to accept the Offer;
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any person acting in concert with it (including the Sellers and the Sellers' Guarantors);
- (h) save for the consideration for the Sale Shares under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by any member of the Offeror and parties acting in concert with it to any of the Sellers or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares under the Sale and Purchase Agreement;
- (i) save for the Sale and Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Sellers and parties acting in concert with them on one hand, and the Offeror, its ultimate beneficial owner or parties acting in concert with any of them; and
- (j) save for the Sale and Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholders; and (b)(i) the Offeror, its ultimate beneficial owner or parties acting in concert with any of them, or (b)(ii) the Company, its Subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (a) as at the date of this joint announcement; and (b) immediately upon the Completion and before the Offer (assuming no other changes to the issued share capital of the Company from the date of this joint announcement):

Shareholders	(a) As at the date of this joint announcement		(b) Immediately upon the Completion and before the Offer	
	<i>Number of Shares</i>	<i>approx.%</i>	<i>Number of Shares</i>	<i>approx.%</i>
Offeror	—	—	750,000,000	73.53
Seller I	675,000,000	66.18	—	—
Seller II	75,000,000	7.35	—	—
Public Shareholders	270,000,000	26.47	270,000,000	26.47
Total	<u>1,020,000,000</u>	<u>100.00</u>	<u>1,020,000,000</u>	<u>100.00</u>

Notes:

1. The Offeror is a company ultimately and beneficially wholly-owned by Mr. Ng Ho Lun.
2. The Seller I is ultimately and beneficially owned as to 50% and 50% by Mr. Lam Tak Ling Derek and Mr. Chan Yee Yeung, respectively.
3. The Seller II is ultimately and beneficially wholly-owned by Ms. Tse Yuen Shan Ivy.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of printing services. The Company is principally engaged in production, distribution and printing of books, novelty and packaging products. The Company provides services from pre-press to printing to finishing services, as well as producing customised and value-added printing products.

Set out below is a summary of the audited financial information of the Group for each of the financial years ended 31 December 2020, 2021 and 2022 as extracted from the annual reports of the Company for the years ended 31 December 2020, 31 December 2021 and 31 December 2022, respectively:

	For the year ended/As at 31 December		
	2022	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	131,647	167,899	127,213
(Loss) profit before taxation	(16,500)	2,788	20,196
(Loss) profit for the year	(16,500)	1,649	16,001
Total assets	150,287	159,288	161,516
Total liabilities	18,680	25,407	26,768
Net assets	131,607	133,881	134,748

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands. As at the date of this joint announcement, the Offeror is ultimately beneficially owned as to 100% by Mr. Ng Ho Lun (“**Mr. Ng**”). Mr. Ng, being the founder, sole director and chief executive officer of the Offeror, is responsible for the strategic development and general management of the Offeror and its subsidiaries. Mr. Ng is also the sole director and chief executive officer of Huachin Mining Limited and Huachin International Trading Limited (“**HIT**”) in Hong Kong. HIT, together with its subsidiary, are engaged in international commodity trading business. Mr. Ng graduated from the University of Southern California in Los Angeles with a Bachelor of Business Administration majoring in Business Finance and Economics.

INTENTION OF THE OFFEROR REGARDING THE GROUP

The Offeror will continue to support the independent operation of the Company and maintain the Company’s listing status in the Hong Kong capital market. It is the intention of the Offeror that the Company will continue to focus on the development of its Existing Businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group upon the close of the Offer.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code) or to dispose of or re-allocate the Group’s fixed assets which relate to the ordinary and usual course of business of the Group as a result of completion of the Offer. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

As at the date of this joint announcement, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Company and intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- (a) false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror and the new Directors to be appointed to the Board (if any) will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, which may include but not limited to placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. No arrangements have been confirmed or put in place as at the date of this joint announcement. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (a) further details on the terms of the Offer; (b) the recommendation from the Independent Board Committee in respect of the Offer; and (c) the letter from the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely, Mr. Li Chun Hung, Mr. Ong Chor Wei and Mr. Yam Kam Kwong, *JP* who have no direct or indirect interest in the Offer, has been established to make recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Shareholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement. Shareholders should read the Composite Document carefully, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the independent financial adviser, before forming a view on the Offer.

Shareholders and potential investors are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Asian Capital”	Asian Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the exclusive financial adviser to the Offeror in respect of the Offer
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror and in compliance with the Takeovers Code
“Company”	Smart Globe Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code, containing, among other things, details of the Offer, the form of acceptance and transfer of Shares in respect of the Offer the respective letters of advice from the Independent Board Committee and the independent financial adviser

“Consideration”	the consideration in the sum of HK\$196,050,000 payable by the Offeror to the Sellers for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company from time to time
“Earnest Money”	HK\$5,000,000 which was paid to the Sellers in the form of bank draft in connection with the transaction contemplated under the Sale and Purchase Agreement on 1 April 2023
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Existing Business”	the principal business of the Group as at the date of the Sale and Purchase Agreement, being the provision of printing service including the production, distribution and printing of books, novelty and packaging products
“Group”	the Company and the subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, consisting of Mr. Li Chun Hung, Mr. Ong Chor Wei and Mr. Yam Kam Kwong, <i>JP</i> , all being independent non-executive Directors, established by the Board to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable, and as to acceptance of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	26 April 2023, being the last trading day for the Shares immediately prior to the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2023 (or such other date as the Offeror and the Sellers may agree in writing)

“Offer”	the mandatory unconditional cash offer to be made by Asian Capital Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.2614 per Offer Share
“Offer Share(s)”	issued Share(s) other than those already owned by the Offeror and parties acting in concert with it
“Offeror”	TeraMetal Holdings Limited, a company ultimately and beneficially wholly-owned by Mr. Ng Ho Lun, incorporated in the British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale and Purchase Agreement”	the share purchase agreement dated 26 April 2023 entered into between the Offeror, the Sellers and the Sellers’ Guarantors for the sale and purchase of the Sale Shares
“Sale Share(s)”	a total of 750,000,000 Shares comprising the Seller I Sale Shares and Seller II Sale Shares, representing approximately 73.53% of the total issued share capital of the Company as at the date of this joint announcement, to be sold by the Sellers to the Offeror pursuant to the Sale and Purchase Agreement
“Seller I”	Master Sage Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Lam Tak Ling Derek and Mr. Chan Yee Yeung

“Seller I Sale Shares”	675,000,000 Sale Shares
“Seller II”	Fortune Corner Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Ms. Tse Yuen Shan Ivy
“Seller II Sale Shares”	75,000,000 Sale Shares
“Sellers”	Seller I and Seller II
“Sellers’ Guarantors”	Mr. LAM Tak Ling Derek, Mr. CHAN Yee Yeung and Ms. TSE Yuen Shan Ivy
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	the subsidiaries (including their representatives or branch offices) of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board of directors of
TeraMetal Holdings Limited
Ng Ho Lun
Director

By order of the board of directors of
Smart Globe Holdings Limited
Lam Tak Ling Derek
Chairman

Hong Kong, 26 April 2023

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Ng Ho Lun.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable inquiries, that, to the best of his knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.