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SMART GLOBE HOLDINGS LIMITED

竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1481)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

- The revenue of Smart Globe Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) amounted to approximately HK\$45.6 million for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately HK\$71.1 million), representing a decrease of approximately 35.8% as compared to the six months ended 30 June 2022.
- The loss attributable to owners of the Company was approximately HK\$5.5 million for the six months ended 30 June 2023 (six months ended 30 June 2022: loss of approximately HK\$2.4 million).
- The increase in loss after tax was mainly attributable to: (i) the decrease in customer orders and the decline in the Group’s gross profit as compared with the corresponding period last year; (ii) an increase in legal and professional fees in relation to the corporate actions conducted during the six months ended 30 June 2023; and (iii) an increase in other taxes in the PRC.
- Basic loss per share for the six months ended 30 June 2023 was approximately HK0.54 cents (six months ended 30 June 2022: basic loss per share of approximately HK0.24 cents).
- The board (the “**Board**”) of directors of the Company (the “**Directors**”) does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Board hereby presents the Company's interim results for the six months ended 30 June 2023 (the "**Period**"), together with the comparative figures for the corresponding period in 2022 ("**2022 H1**").

Business Review

The Group is primarily engaged in the business of printing books, novelty items, and packaging products. In addition, the Group offers an extensive suite of services that encompasses the entire printing process, from pre-press to printing to finishing. The Group also produces customised and value-added printing products.

For the Period, the Group recorded a decrease in its total revenue by 35.8% to approximately HK\$45.6 million from approximately HK\$71.1 million for 2022 H1. This was mainly due to less customer orders received from the United States of America ("**USA**") and Hong Kong in the book's products segment compared to 2022 H1. The loss attributable to owners of the Company for the Period was approximately HK\$5.5 million as compared to a loss of approximately HK\$2.4 million for 2022 H1. The loss was mainly due to (i) the decrease in customer orders and the decline in the Group's gross profit as compared with 2022 H1; (ii) an increase in legal and professional fees in relation to the corporate actions conducted during the Period; and (iii) an increase in other taxes in the PRC.

Financial Review

Revenue

The Group's revenue represents amounts received or receivable from production and printing of books, novelty items and packaging products. During the Period, the Group's revenue amounted to HK\$45.6 million, which was 35.8% lower than the corresponding figure for 2022 H1. The decrease was mainly due to less customer orders received from USA and Hong Kong in the book's products segment.

During the Period, approximately 94.5% of total revenue was contributed by the book products segment. Revenue contributed by the book products segment for the Period was approximately HK\$43.1 million, which was 37.3% lower than the revenue contributed by the same segment for 2022 H1 of approximately HK\$68.8 million.

Gross Profit

During the Period, the Group's gross profit amounted to approximately HK\$8.6 million, which was 10.4% lower than the gross profit of approximately HK\$9.6 million for 2022 H1. Such decrease was mainly attributable to the decline in sales revenue resulted from the weak market demand during the Period.

Gross profit margin

The Group's gross profit margin increased from 13.5% for 2022 H1 to 18.9% for the Period. The increase in the Group's gross profit margin was mainly due to an upward adjustment in the selling price of the Group's major products while the cost of production remained stable during the Period.

Other income and Other gains and losses

The other income remained constant of approximately HK\$0.1 million for both periods.

Other gains and losses recorded a loss of approximately HK\$0.6 million for the Period as compared to a gain of approximately HK\$0.3 million for 2022 H1. This was mainly due to exchange loss was recorded during the Period while exchange gain was recorded in 2022 H1.

Selling and distribution costs

The selling and distribution costs decreased by approximately 29.7% from approximately HK\$4.3 million for 2022 H1 to approximately HK\$3.0 million for the Period. This was mainly due to the decrease in transportation and freight charges which was in line with the decrease in revenue during the Period.

Administrative expenses

The administrative expenses increased by approximately 32.7% from approximately HK\$8.0 million for 2022 H1 to approximately HK\$10.6 million for the Period. This was mainly due to combined effects of the increase in i) legal and professional fees for the corporate actions conducted during the Period; ii) other taxes in the PRC; and iii) certain staff costs which were accounted as administrative expenses.

Loss for the period

As a result of the above factors, net loss of approximately HK\$5.5 million was recorded for the Period (2022 H1: loss of approximately HK\$2.4 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 2022 H1 and the Period. The Board believes that by presenting the changes of these financial data, they can effectively explain the financial performance of the Group for the Period.

OUTLOOK

Looking ahead, the Group will continue to explore and capture new business opportunities for potential growth. This includes enhancing our marketing strategy to expand our quality customer base and promote our one-stop printing services to existing and potential customers. Simultaneously, we are actively seeking new business opportunities to diversify our income sources and mitigate business risks. Furthermore, we will strive to further tighten control over operating expenses, streamline production processes, and leverage our leading one-stop printing platform to enhance capabilities, improve overall production efficiency, and prepare for future growth and opportunities. By adopting these multifaceted approaches, we are poised to drive sustainable growth and solidify our market position.

MANDATORY GENERAL OFFER AND CHANGE IN CONTROLLING SHAREHOLDER

On 26 April 2023 (after trading hours), TeraMetal Holdings Limited (“**TeraMetal**”) (as the purchaser), Master Sage Limited and Fortune Corner Holdings Limited (both as the seller, collectively the “**Sellers**”) entered into a sale and purchase agreement, pursuant to which TeraMetal conditionally agreed to purchase, and the Sellers conditionally agreed to sell, in aggregate, 750,000,000 shares of the Company (“**Shares**”), representing 73.53% of the then issued Shares, at an aggregate consideration of HK\$196,050,000, equivalent to HK\$0.2614 per Share (“**Offer Price**”). Completion took place on 2 May 2023.

Upon completion, TeraMetal owned an aggregate of 750,000,000 Shares, representing 73.53% of the then entire issued Shares. In accordance with Rule 26.1 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, TeraMetal was required to make a mandatory general offer at the Offer Price for all issued Shares (other than those already owned and/or agreed to be acquired by TeraMetal and the parties acting in concert with it) (the “**Offer**”). On 20 June 2023, being the closing date of the Offer, TeraMetal received valid acceptances of an aggregate of 154,260,000 Shares, representing 15.12% of the then issued Shares. On 25 July

2023, TeraMetal and a manager entered into a secondary block trade agreement, pursuant to which TeraMetal agreed to place down up to 154,260,000 Shares to parties independent of TeraMetal and the Company (the “**Placing**”). Completion of the Placing took place on 1 August 2023. Accordingly, TeraMetal is interested in 750,000,000 Shares, representing 73.53% of the issued Shares since then.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 December 2020. The Company completed placing of 20,000,000 shares on 5 August 2022. Apart from above, there has been no change in the capital structure of the Group since listing on Main Board. The share capital of the Group only comprises ordinary shares.

As at the date of this announcement, the Company’s issued share capital was HK\$10,200,000 and the number of its issued ordinary shares was 1,020,000,000 of HK\$0.01 each.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations with shareholders’ equity and cash generated from operations. A summary of the Group’s liquidity and financial resources is set out below:

	30 June 2023 HK\$’000 (Unaudited)	31 December 2022 HK\$’000 (Audited)
Total assets	142,512	150,287
Shareholders’ equity	124,510	131,607
Gearing ratio	1.2%	1.4%

The Group maintained bank balances and cash amounting to approximately HK\$54.1 million as at 30 June 2023 (as at 31 December 2022: approximately HK\$57.1 million), which decreased by approximately 5.2% as compared with that as at 31 December 2022. The primary use of cash was to satisfy the working capital of the Group (such as purchase of inventories and emoluments of directors and other members of key management).

The Group’s non-current assets decreased to approximately HK\$32.0 million as at 30 June 2023 (as at 31 December 2022: approximately HK\$43.3 million), the decrease was primarily due to the reclassification of deposit paid for potential investment of HK\$7.0 million to current assets and depreciation of plant and equipment during the Period.

As at 30 June 2023, the Group's current assets amounted to approximately HK\$110.6 million, which comprised inventories of approximately HK\$15.8 million (as at 31 December 2022: approximately HK\$14.8 million), trade and other receivables of approximately HK\$40.0 million (including the deposit of HK\$7.0 million reclassified from non-current assets) (as at 31 December 2022: approximately HK\$34.4 million), tax recoverable of approximately HK\$0.6 million (as at 31 December 2022: approximately HK\$0.6 million), and bank balances and cash of approximately HK\$54.1 million (as at 31 December 2022: approximately HK\$57.1 million).

As at 30 June 2023, the Group's current liabilities amounted to approximately HK\$17.7 million, which comprised trade and other payables of approximately HK\$16.1 million (as at 31 December 2022: approximately HK\$15.6 million), contract liabilities of approximately HK\$0.5 million (as at 31 December 2022: approximately HK\$1.1 million), and lease liabilities of approximately HK\$1.1 million (as at 31 December 2022: approximately HK\$1.8 million).

As at 30 June 2023, the net current assets of the Group increased by approximately HK\$4.6 million or approximately 5.2% to approximately HK\$92.9 million (as at 31 December 2022: approximately HK\$88.3 million).

The Group had total lease liabilities of approximately HK\$1.5 million as at 30 June 2023 (as at 31 December 2022: approximately HK\$1.8 million).

The Group's gearing ratio, which was calculated as total interest-bearing liabilities divided by total equity as at the relevant reporting date was approximately 1.2% as at 30 June 2023 (as at 31 December 2022: approximately 1.4%). The Group's current ratio, which was calculated as current assets divided by current liabilities as at the relevant reporting date stood at approximately 6.3 as at 30 June 2023 (as at 31 December 2022: approximately 5.7).

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. To manage liquidity risk, the management monitors the Group's liquidity position and maintains sufficient cash and cash equivalents, 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 the 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 exposed to foreign exchange risks as the Group's production is mainly in the PRC. Any appreciation of Renminbi (“**RMB**”) may lead to an increase of our cost of production. During the Period, the Group did not enter into any financial instrument for hedging purposes or 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, CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

During the Period, the Group did not acquire any property, plant and equipment (2022 H1: HK\$1.1 million).

As at 30 June 2023 and 31 December 2022, the Group had (i) no significant capital commitments; or (ii) no material contingent liabilities.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the Period (2022 H1: nil).

MATERIAL INVESTMENTS/MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Reference is made to the announcements of the Company dated 14 September 2022, 15 September 2022, 27 October 2022, 20 January 2023 and 31 March 2023 in relation to the discloseable transaction regarding the Group's proposed acquisition of 5% equity interest in Veivo Web Technology Limited involving the Company's issue of consideration shares under the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 13 May 2022. The aforesaid proposed transaction was terminated on 31 March 2023.

Reference is made to the announcements of the Company dated 15 July 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023 and 5 July 2023 in relation to the Group's proposed subscription of 30% of the enlarged registered capital of Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd. (“**Target Company**”). The aforesaid proposed transaction was terminated on 5 July 2023.

Save as disclosed herein, during the Period, the Company did not make any significant acquisitions and investments. The Company does not have any future plan for significant acquisition, disposal, and investment as at the date of this announcement.

EMPLOYEES' INFORMATION AND EMOLUMENT POLICIES

Our employees are based in Hong Kong and Heyuan, Guangdong Province, the PRC. As at 30 June 2023, there were 320 (as at 31 December 2022: 319) employees of the Group. The total staff costs, including directors' emoluments, amounted to approximately HK\$17.1 million for the Period (2022 H1: approximately HK\$23.8 million). Staff remuneration packages are determined based on 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.

The workers are mainly based at our production site located at Heyuan Hi-Tech Development Zone, Heyuan, Guangdong Province, the PRC (the "**Heyuan Factory**"). As at 30 June 2023, there were 306 (as at 31 December 2022: 306) employees in the Heyuan 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 the Period.

USE OF PROCEEDS IN RELATION TO THE 2022 PLACING

References are made to the announcements of the Company dated 15 July 2022, 5 August 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023 and 5 July 2023.

On 15 July 2022, the Company entered into a subscription agreement (the "**Subscription Agreement**") with the Target Company, pursuant to which the Company has conditionally agreed to subscribe for 30% enlarged registered capital in the Target Company upon the completion, at the subscription price of HK\$30,000,000 (the "**Subscription**"). The completion of the Subscription is conditional upon, among other things, the Company having completed its due diligence investigation on the Target Company and in its absolute discretion satisfied with the results thereof. For further details, please refer to the announcement of the Company dated 15 July 2022.

On 5 August 2022, the Company placed an aggregate of 20,000,000 placing shares, raising net proceeds of approximately HK\$20.7 million for the purpose of the pharmaceutical related projects' investment.

On 15 August 2022, the Company entered into a supplemental deed with the Target Company to advance an RMB amount equivalent to HK\$7,000,000 at interest rate of 5% per annum to the Target Company for the purpose of Target Company's operation and future expansion plan (the "**Advancement**"). Upon satisfaction or waiving of the conditions precedent as stated in the Subscription Agreement, the Advancement will form part of Subscription consideration. To secure the Advancement made by the Company to the Target Company, the Company requested Fuyou Pharmaceutical Technology (Suzhou) Co., Ltd ("**Fuyou Pharmaceutical**", being substantial shareholder of the Target Company) to pledge its 10% equity interests in the Target Company in favour of the Company (or its nominee).

Due to the prolonged due diligence investigation process, the Company decided to cease to proceed with the transaction and Subscription and entered into a deed of assignment and novation with Riverton Holdings Limited ("**Riverton**"), CP Printing (Heyuan) Limited* (同利紙製品(河源)有限公司) ("**Tong Li**", being an indirect wholly-owned subsidiary of the Company) and Fuyou Pharmaceutical on 5 July 2023, whereby, among other things, (i) the Company and Tong Li assigns and transfers all their right, title, benefit, interest, property, claim, demand, covenants, undertakings, obligations and liabilities in the agreement to Riverton and (ii) Fuyou Pharmaceutical releases and discharges Tong Li from all its obligations and liabilities under the share pledge agreement dated 15 August 2022 entered into between Tong Li and Fuyou Pharmaceutical, for a consideration of HK\$7,000,000 to recover the Advancement for the Group's continued development of its core business activities.

As of the date of this announcement, the net proceeds of HK\$20.7 million (including the recovered Advancement) have not been utilised and are expected to be utilised in the year 2023.

The net proceeds raised from the 2022 Placing was approximately HK\$20.7 million. The initial amount of net proceeds as at 5 August 2022, remaining balance as at 1 January 2023, utilised amount during the Period, the remaining balance as at 30 June 2023 and remaining balance as at the date of this announcement, respectively, are summarised below:

	Initial amount of net proceeds as at 5 August 2022	Remaining balance as at 1 January 2023	Utilised amount during the Period	Remaining balance as at 30 June 2023	Remaining balance as at the date of this announcement
	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>
Total	20.7	13.7 ^(note)	—	13.7	20.7 ^(note)

Note: On 5 August 2022, the Company completed the 2022 Placing and raised net proceeds of approximately HK\$20.7 million. On 15 August 2022, the Company agreed to make the Advancement of HK\$7.0 million to the Target Company. On 5 July 2023, the Company entered into agreement to recover the Advancement of HK\$7.0 million.

As of the date of this announcement, the Company's intended use of proceeds of the 2022 Placing is set out as follows:

	Original allocation of the net proceeds and as at 1 January 2023	Revised allocation as at 5 July 2023	Amounts unutilised as at the date of this announcement	Expected timeline of utilisation of the proceeds
	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	
Intended use of proceeds				
Pharmaceutical related projects	20.7	13.7	13.7	By 31 December 2023
Core business activities	—	7.0	7.0	By 31 December 2023
Total	20.7	20.7	20.7	

EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

- (a) Reference is made to the announcements of the Company dated 15 July 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023 and 5 July 2023 in relation to the Company's proposed subscription of 30% of the enlarged registered capital of the Target Company. The aforesaid proposed transaction was terminated on 5 July 2023.
- (b) On 7 July 2023, the Board announced certain appointments and resignations of directors and chief executive officer, change of composition of board committees, change of authorised representatives, process agent and company secretary. Please refer to the announcement of the Company dated 7 July 2023 for further details.
- (c) On 25 July 2023, TeraMetal and a manager entered into a secondary block trade agreement, pursuant to which TeraMetal agreed to place down up to 154,260,000 Shares to parties independent to TeraMetal and the Company in order to restore the public float of the Company as required under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Trading of the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 21 June 2023 pending the restoration of the minimum public float as required under the Listing Rules. Completion of the Placing took place on 1 August 2023. Accordingly, the public float of the Company has been restored and the Company is in compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. On 2 August 2023, the trading of the Shares on the Stock Exchange was resumed.
- (d) On 10 August 2023, the principal place of business of the Company in Hong Kong changed to Suite 5705-08, 57/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.

UPDATE ON DIRECTORS' INFORMATION

Saved as disclosed in the announcement of the Company dated 7 July 2023, there are no other updates on directors related information or other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 30 June 2023.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the date of this announcement, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Listing Rules, were as follows:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of Director	Capacity	Number of Shares held	Percentage of the issued share capital of the Company
NG Ho Lun (“Mr. Ng”)	Held by controlled corporation (<i>note 1</i>)	750,000,000	73.53%

Note:

- (1) The Company is directly owned as to 73.53% by TeraMetal, a company wholly-owned by Mr. Ng. By virtue of the SFO, Mr. Ng is deemed to be interested in the Shares held by TeraMetal.

On 26 April 2023, TeraMetal (as the purchaser), Master Sage Limited and Fortune Corner Holdings Limited (both as the sellers) entered into a sale and purchase agreement, pursuant to which TeraMetal conditionally agreed to purchase, and the Sellers conditionally agreed to sell, in aggregate, 750,000,000 Shares, representing 73.53% of the then issued Shares.

Upon completion, TeraMetal owned an aggregate of 750,000,000 Shares, representing 73.53% of the then entire issued Shares. In accordance with Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, TeraMetal was required to make the Offer. On 20 June 2023, being the closing date of the Offer, TeraMetal received valid acceptances of an aggregate of 154,260,000 Shares, representing 15.12% of the then issued Shares.

On 25 July 2023, TeraMetal and a manager entered into a secondary block trade agreement, pursuant to which TeraMetal agreed to place down up to 154,260,000 Shares to parties independent to TeraMetal and the Company. Completion of the Placing took place on 1 August 2023. Accordingly, TeraMetal is interested in 750,000,000 Shares, representing 73.53% of the issued Shares since then.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at the date of this announcement.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the date of this announcement, the following shareholders and persons (not being a Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholders	Capacity	Number of Shares held	Percentage of the issued share capital of the Company
TeraMetal	Beneficial owner	750,000,000	73.53%
Liu Chujia (“Mrs. Ng”)	Interest of spouse (<i>note 1</i>)	750,000,000	73.53%

Note:

- (1) Mrs. Ng, being the spouse of Mr. Ng, is deemed to be interested in 750,000,000 ordinary shares of the Company in which Mr. Ng is interested through TeraMetal.

Save as disclosed above, as at the date of this announcement, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and recorded in the register required to be kept by the Company under section 336 of the SFO.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company, which were not a contract of service with any Director or any person engaged in full-time employment of the Company, were entered into or existed during the Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN SIGNIFICANT CONTRACTS

As far as the Directors are aware, at no time during the Period had the Company or any of its subsidiaries and the controlling shareholders (the “**Controlling Shareholders**”) or any of their subsidiaries entered into any contract(s) of significance for the provision of services by the Controlling Shareholder or any of their subsidiaries to the Company or any of its subsidiaries.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN A COMPETING BUSINESS

None of the Directors and the Controlling Shareholders of the Company or their respective close associates (as defined in the Listing Rules) is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Period.

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 14 to Listing Rules (the “**CG Code**”).

During the Period and as at the date of this announcement, the Company has complied with the code provisions in the CG Code, except the following deviations:

Code Provision C.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. Ng is currently performing the roles of chairman and chief executive officer of the Company. Despite of the deviation from the code provision C.2.1, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Ng can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making

following the review of the aforementioned items. Moreover, under the supervision of other existing members of the Board including the independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interest of the Company and its shareholders. 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.

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 Period.

AUDIT COMMITTEE

The Audit Committee currently comprises all three independent non-executive Directors, namely Ms. LAW Ying Wai Denise, Dr. WU Ka Chee Davy and Mr. YIU Ho Chi Stephen. The chairperson of the Audit Committee is Ms. LAW Ying Wai Denise, who holds the appropriate professional qualifications. None of the members of the Audit Committee are former partners of the Company's existing external auditors. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code.

REVIEW OF INTERIM FINANCIAL INFORMATION

The audit committee of the Company has reviewed with the management of the Company (the “**Management**”) the accounting principles and practices adopted by the Group and discussed with the Management regarding the risk management and internal controls systems and financial reporting matters including a general review of the unaudited condensed consolidated interim financial information of the Group for the Period.

The unaudited condensed consolidated interim financial information of the Group for the Period has also been reviewed by the Group's external auditor, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
	<i>Notes</i>	2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	45,629	71,057
Cost of sales		<u>(37,026)</u>	<u>(61,458)</u>
Gross profit		8,603	9,599
Other income	4	141	147
Reversal of allowance for credit losses on trade receivable, net		8	—
Other gains and losses	5	(587)	293
Selling and distribution costs		(3,036)	(4,317)
Administrative expenses		(10,594)	(7,985)
Interest on lease liabilities		<u>(49)</u>	<u>(107)</u>
Loss before taxation		(5,514)	(2,370)
Taxation	6	<u>(6)</u>	<u>—</u>
Loss for the period		(5,520)	(2,370)
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising from translation of a foreign operation		<u>(1,577)</u>	<u>(3,159)</u>
Total comprehensive expense for the period		<u>(7,097)</u>	<u>(5,529)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
— Basic	8	<u>(0.54)</u>	<u>(0.24)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Note</i>	As at 30 June 2023 <i>HK\$'000</i> (unaudited)	As at 31 December 2022 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment	9	31,953	36,318
Deposit paid for potential investment	10	—	7,000
		<u>31,953</u>	<u>43,318</u>
Current assets			
Inventories		15,775	14,844
Trade and other receivables	10	40,048	34,432
Taxation recoverable		608	608
Bank balances and cash		54,128	57,085
		<u>110,559</u>	<u>106,969</u>
Current liabilities			
Trade and other payables	11	16,064	15,587
Contract liabilities		479	1,068
Taxation payable		—	222
Lease liabilities		1,123	1,803
		<u>17,666</u>	<u>18,680</u>
Net current assets		<u>92,893</u>	<u>88,289</u>
Total assets less current liabilities		<u>124,846</u>	<u>131,607</u>
Non-current liabilities			
Lease liabilities		336	—
NET ASSETS		<u><u>124,510</u></u>	<u><u>131,607</u></u>
Capital and reserves			
Share capital	12	10,200	10,200
Reserves		114,310	121,407
TOTAL EQUITY		<u><u>124,510</u></u>	<u><u>131,607</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	PRC statutory reserves <i>HK\$'000</i> <i>(note (a))</i>	Special reserve <i>HK\$'000</i> <i>(note (b))</i>	Translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2022 (audited)	10,000	34,645	287	12,290	2,253	74,406	133,881
Loss for the period	—	—	—	—	—	(2,370)	(2,370)
Other comprehensive expense for the period:							
— Exchange differences arising on translation of a foreign operation	—	—	—	—	(3,159)	—	(3,159)
Total comprehensive expense for the period	—	—	—	—	(3,159)	(2,370)	(5,529)
At 30 June 2022 (unaudited)	<u>10,000</u>	<u>34,645</u>	<u>287</u>	<u>12,290</u>	<u>(906)</u>	<u>72,036</u>	<u>128,352</u>

	Share capital HK\$'000	Share premium HK\$'000	PRC statutory reserves HK\$'000 (note (a))	Special reserve HK\$'000 (note (b))	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	10,200	55,130	287	12,290	(4,206)	57,906	131,607
Loss for the period	—	—	—	—	—	(5,520)	(5,520)
Other comprehensive expense for the period:							
— Exchange differences arising on translation of a foreign operation	—	—	—	—	(1,577)	—	(1,577)
Total comprehensive expense for the period	—	—	—	—	(1,577)	(5,520)	(7,097)
At 30 June 2023 (unaudited)	<u>10,200</u>	<u>55,130</u>	<u>287</u>	<u>12,290</u>	<u>(5,783)</u>	<u>52,386</u>	<u>124,510</u>

Notes:

- (a) The People's Republic of China ("PRC") statutory reserve is non-distributable and transfer to this reserve is determined according to the relevant laws in the PRC and by the board of directors of the PRC subsidiary in accordance with the Articles of Association of the subsidiary.
- (b) The special reserve of the Group represented the difference between the nominal value of the share capital of the Company and the nominal value of the share capital of CP Printing Limited ("CP Printing"), a wholly-owned subsidiary of the Company, pursuant to a group reorganisation in preparation for the listing of the Company's shares.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Operating activities		
Loss before taxation	(5,514)	(2,370)
Adjustments for:		
— Depreciation of property, plant and equipment	3,826	4,102
— Other non-cash items	(59)	89
Operating cash flows before movements in working capital	(1,747)	1,821
(Increase) decrease in inventories	(1,696)	455
Decrease in trade and other receivables	1,371	1,275
Increase in trade and other payables	414	3,827
(Decrease) increase in contract liabilities	(589)	425
Cash (used in) generated from operations	(2,247)	7,803
Income tax paid	(228)	(1,199)
Net cash (used in) from operating activities	(2,475)	6,604
Investing activities		
Purchase of property, plant and equipment	—	(1,138)
Interest income received	100	22
Net cash from (used in) investing activities	100	(1,116)
Financing activities		
Repayment of lease liabilities	(927)	(1,244)
Interest paid	(49)	(107)
Net cash used in financing activities	(976)	(1,351)
Net (decrease) increase in cash and cash equivalents	(3,351)	4,137
Cash and cash equivalents at beginning of the period	57,085	32,466
Effect of foreign exchange rate changes	394	(470)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	54,128	36,133

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than addition/change in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the annual consolidated financial statements of Smart Globe Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Return — Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Amendments to HKAS 8 “Definition of Accounting Estimates”

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

In addition, the Group will apply Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies* which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group’s accounting policies in the Group’s annual consolidated financial statements for the year ending 31 December 2023.

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 customer 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 30 to 90 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 "Revenue from Contracts with Customers", the transaction price allocated to these 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 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 following is an analysis of the Group's revenue from its major products which is recognised at a point in time:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Books products	43,122	68,764
Novelty and packaging products	2,507	2,293
	45,629	71,057

Geographical information

Information about the Group's revenue from external customers are presented based on the geographical location of the customers is as follows:

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Hong Kong	20,055	34,034
United States	7,859	15,342
Netherlands	5,787	4,673
United Kingdom	4,190	3,973
The PRC	3,343	2,060
Australia	2,394	2,360
France	1,493	2,752
Germany	405	667
Canada	103	3,212
Others	—	1,984
	<u>45,629</u>	<u>71,057</u>

4 OTHER INCOME

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Bank interest income	100	7
Government grants	—	129
Sundry income	41	11
	<u>141</u>	<u>147</u>

5 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net exchange (loss) gain	(587)	282
Gain on disposal of property, plant and equipment	—	11
	<u>(587)</u>	<u>293</u>

6 TAXATION

The charge comprises:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax		
— Under-provision in prior period	<u>6</u>	<u>—</u>

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2023 as the relevant group entities did not have assessable profits subject to Hong Kong Profits Tax for the period (six months ended 30 June 2022: nil).

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 periods. No provision for PRC Enterprise Income Tax has been made for the six months ended 30 June 2023 as the relevant group entity did not have assessable income subject to the PRC Enterprise Income Tax for the period (six months ended 30 June 2022: nil).

7 DIVIDENDS

No dividend was paid, declared or proposed during both interim periods. The directors of the Company do not recommend the payment of an interim dividend in respect of the current interim period.

8 LOSS PER SHARE

The calculation of the basic loss per share for the period is based on the following data:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(5,520)</u>	<u>(2,370)</u>
	Six months ended 30 June	
	2023	2022
	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,020,000</u>	<u>1,000,000</u>

No diluted loss per share is presented as there were no potential ordinary shares in issue during both periods.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group did not acquire any property, plant and equipment, nor right-of-use assets (six months ended 30 June 2022: HK\$1,138,000).

During the current interim period, the Group renewed a lease agreement for an office. On date of lease modification, the group recognised right-of-use assets of HK\$932,000 (six months ended 30 June 2022: HK\$492,000) and lease liabilities of HK\$932,000 (six months ended 30 June 2022: HK\$492,000).

10 TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 <i>HK\$'000</i> (unaudited)	As at 31 December 2022 <i>HK\$'000</i> (audited)
Non-current asset		
Deposit paid for potential investment (<i>Note</i>)	—	7,000
Current assets		
Trade receivables	32,608	34,119
Less: Allowance for credit losses	(1,785)	(1,793)
	30,823	32,326
Rental deposits	139	142
Prepayments and deposits (<i>Note</i>)	9,086	1,964
	40,048	34,432
Total trade and other receivables	40,048	41,432

Note: 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 ended 31 December 2022 (the “**Advancement**”). The 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 was intended to form part of the subscription amount for the Company to subscribe 30% enlarged registered capital in Hubei Kang Shi Zhen (the “**Acquisition**”). During the interim period, the Company had intended to assign the Advancement to a third party, Riverton Holdings Limited, and subsequently a deed of assignment and novation was entered between the parties. Therefore, the Advancement was reclassified as current assets as at 30 June 2023 and included in prepayments and deposits. The Advancement was settled on 18 July 2023.

References should be made to the announcements of the Company dated 15 July 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023 and 5 July 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:

	As at 30 June 2023 HK\$'000 (unaudited)	As at 31 December 2022 HK\$'000 (audited)
Within 30 days	11,662	11,708
31 to 60 days	6,625	4,510
61 to 90 days	6,275	4,506
Over 90 days	6,261	11,602
	<u>30,823</u>	<u>32,326</u>

Included in trade receivables as at 30 June 2023 are debtors with aggregate carrying amount of HK\$7,033,000 (31 December 2022: HK\$12,267,000), which are past due at the end of the reporting period. Out of the past due balances, HK\$3,127,000 (31 December 2022: HK\$5,552,000) has been past due over 90 days or more and is not considered as in default, as the Group considered such balances could be recovered based on long term/on-going relationship and good repayment record from these customers. The Group does not hold any collateral over these balances.

Included in trade receivables as at 30 June 2023 is a balance of HK\$101,000 (31 December 2022: HK\$253,000) due from a related company, which is owned by Ms. Tse Yuen Shan Ivy (“**Ms. Tse**”), a director of the Company (resigned as director on 7 July 2023) and key management personnel of the Group (resigned as key management personnel on 7 July 2023), and her family. The amount is repayable within three months from the goods delivery dates.

11 TRADE AND OTHER PAYABLES

	As at 30 June 2023 HK\$'000 (unaudited)	As at 31 December 2022 HK\$'000 (audited)
Trade payables	9,554	8,425
Accrued expenses	5,018	5,530
Other payables	1,492	1,632
	<u>16,064</u>	<u>15,587</u>

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

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

	As at 30 June 2023 <i>HK\$'000</i> (unaudited)	As at 31 December 2022 <i>HK\$'000</i> (audited)
Within 30 days	8,812	5,891
31 to 60 days	613	2,173
61 to 90 days	70	272
Over 90 days	59	89
	<u>9,554</u>	<u>8,425</u>

12 SHARE CAPITAL

	Number of shares '000	Share capital <i>HK\$'000</i>
Authorised:		
Ordinary share of HK\$0.01 each		
At 1 January 2022, 31 December 2022 and 30 June 2023	<u>2,000,000</u>	<u>20,000</u>
Issued and fully paid:		
Ordinary share of HK\$0.01 each		
At 1 January 2022	1,000,000	200
Issue of shares (<i>note</i>)	<u>20,000</u>	<u>10,000</u>
At 31 December 2022 and 30 June 2023	<u>1,020,000</u>	<u>10,200</u>

Note: 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. Details of this share placing are set out in the Company's announcements dated 29 June 2022, 14 July 2022 and 5 August 2022.

13 RELATED PARTY DISCLOSURES

In addition to the amount due from a related company as disclosed in note 10, the Group has the following transactions with related parties during the period:

- (a) The emoluments of directors and other members of key management were HK\$1,011,000 (six months ended 30 June 2022: HK\$1,011,000).

- (b) The Group received income for sales of novelty and packaging products totalling HK\$146,000 (six months ended 30 June 2022: HK\$48,000), from Tse Wing Hang Limited (trading as Richmond Company), a company of which Ms. Tse, a director of the Company (resigned as director on 7 July 2023) and key management personnel of the Group (resigned as key management personnel on 7 July 2023), and her family, hold 100% equity interest.

14 FAIR VALUE OF MEASUREMENTS OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of the Group's financial assets and liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

15 EVENTS AFTER THE END OF THE REPORTING PERIOD

Other than those as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material subsequent events after the end of the reporting period:

On 25 July 2023, TeraMetal Holdings Limited (“**TeraMetal**”) and a manager entered into a secondary block trade agreement, pursuant to which TeraMetal agreed to place down up to 154,260,000 shares of the Company to parties independent to TeraMetal and the Company (the “**Placing**”) in order to restore the public float of the Company as required under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Trading of the shares of the Company on the Stock Exchange has been suspended since 21 June 2023 pending the restoration of the minimum public float as required under the Listing Rules.

Completion of the Placing took place on 1 August 2023. Accordingly, the public float of the Company has been restored and the Company is in compliance with the minimum public float requirement under Rule 8.08(1) (a) of the Listing Rules. On 2 August 2023, the trading of the shares of the Company on the Stock Exchange was resumed.

The audit committee has reviewed this announcement and the Group's unaudited condensed consolidated financial results for the six months ended 30 June 2023 and is of the opinion that the preparation of such results complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By Order of the Board
Smart Globe Holdings Limited
NG Ho Lun
Chairman

Hong Kong, 25 August 2023

As at the date of this announcement, the executive Directors are Mr. NG Ho Lun, Mr. CHU Lok Fung Barry, Mr. CHEN Kun and Mr. LAM Tak Ling Derek; and the independent non-executive Directors are Dr. WU Ka Chee Davy, Mr. YIU Ho Chi Stephen and Ms. LAW Ying Wai Denise.