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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)

DISCLOSEABLE TRANSACTION – LEASE AGREEMENT

THE AGREEMENT

On 31 October 2025, Tera Logistics (as the lessor), an indirect non-wholly owned subsidiary of the Company, entered into the Agreement with the Lessee for the Leased Area which is situated within the Land and is adjacent to the border of Zambia and the DRC, for a term of 4 years and 11 months, at US$12,500 per month. Pursuant to the Agreement, Tera Logistics has a contingent obligation to acquire the Buildings constructed and owned by the Lessee, of which the total construction costs shall not exceed US$6,000,000 (equivalent to HK$46,800,000).

IMPLICATIONS UNDER THE LISTING RULES

Operating lease arrangement

As the Company did not have any operating lease arrangement prior to entering into of the Agreement, the operating lease contemplated under the Agreement, by virtue of its size, nature or number, represents a 200% or more increase in the scale of the Group's existing operations conducted through lease arrangements of such kind. Accordingly, the operating lease arrangement contemplated under the Agreement falls within the definition of "transaction" of the Company under Rule 14.04 of the Listing Rules. However, as the highest applicable percentage ratio in respect of the operating lease arrangement contemplated under the Agreement as calculated under Rule 14.07 of the Listing Rules is less than 5%, the operating lease arrangement contemplated under the Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Contingent acquisition obligation

Under the Agreement, the Lessor has a contingent obligation to acquire the Buildings constructed by the Lessee at their Net Book Value (after amortisation over 6.5 years) upon:

(a) early termination of the Agreement due to reasons attributable to the Lessee; or

(b) early termination of the Agreement due to reasons attributable to the Lessor; or

(c) expiration of the term of the Agreement and the parties decide not to renew.

The Contingent Acquisition contemplated under the Agreement constitutes a potential acquisition of the Buildings by the Lessor from the Lessee and therefore also falls within the definition of "transaction" of the Company under Rule 14.04 of the Listing Rules.

Given that the total cost of construction of the Buildings shall not exceed US$6,000,000 (equivalent to HK$46,800,000) under the Agreement, the maximum consideration for the Contingent Acquisition shall be capped at US$6,000,000 (equivalent to HK$46,800,000). As such, it is expected that the highest applicable percentage ratio in respect of the Contingent Acquisition contemplated under the Agreement as calculated under Rule 14.07 of the Listing Rules may exceed 5% but less than 25%, and the Contingent Acquisition contemplated under the Agreement may at most constitute discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the Shareholders' approval requirement under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 31 October 2025, Tera Logistics (as the lessor), an indirect non-wholly owned subsidiary of the Company, entered into the Agreement with Harmony Prosper Zambia (as the lessee) in relation to an operating lease of the Leased Area within the Land, which is adjacent to the border of Zambia and the DRC, for a term of 4 years and 11 months. Pursuant to the Agreement, Tera Logistics has a contingent obligation to acquire the Buildings constructed by the Lessee from the Lessee.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 31 October 2025

Parties: (a) Tera Logistics, an indirect non-wholly owned subsidiary of the Company, as the lessor; and

(b) Harmony Prosper Zambia, as the lessee.

Location: two pieces of land located at (a) Lot No.7 Kaniki of approximately 46.67 hectares; and (b) Subdivision A of F/2957 of approximately 48.44 hectares, both situate in Ndola in the Copperbelt province of Zambia

Size of Leased Area: two parcels of land with areas of 15 hectares (for warehouse construction) and 2,000 square meters (for living quarters construction) within the Land

Permitted Use: Warehousing, logistics, office and living quarters (excluding storage and logistics of hazardous goods and polluting products)

Lease Term: 4 years and 11 months (from 1 November 2025 to 30 September 2030)

Rent Payable and Payment Terms:

(i) The rent before tax shall be US$10,000 (equivalent to HK$78,000) per hectare per year. The Lessee shall pay the balance of the first year's rental amount of US$112,500 (equivalent to HK$877,500) within one month after the Agreement becomes effective (i.e. before 1 December 2025), covering the period from 1 November 2025 to 31 October 2026. The earnest money of US$37,500 (equivalent to HK$292,500) paid by the Lessee shall be credited toward the rent.

(ii) For the period from 1 November 2026 to 30 September 2030, the annual rental shall be US$150,000 (equivalent to HK$1,170,000) (US$137,500 for the last year (equivalent to HK$1,072,500 only)). The Lessee shall pay the full annual rental amount for the following year on or before 1 November of each year, with the applicable taxes to be borne by the Lessee.

The total rental consideration payable by the Lessee to the Lessor under the Agreement for the entire lease term is US$737,500 (equivalent to approximately HK$5,752,500).

Basis of determination of rent:

The rent was determined after arm's length negotiations between the Lessor and the Lessee on normal commercial terms with reference to prevailing market rental rates for land of similar specifications and location in Zambia.

CONTINGENT ACQUISITION

Construction of the Buildings: The Lessee shall design and construct the Buildings, which must be pre-approved by the Lessor and maintain a style consistent with the Lessor's other buildings within the Land. The Buildings will be owned by the Lessee before the Contingent Acquisition.

The parties agreed that the total cost of construction of the Buildings shall not exceed US$6,000,000 (equivalent to HK$46,800,000). If the Lessee intends to carry out any subsequent alterations involving building structure, appearance or layout, the Lessee must consult with the Lessor and obtain the Lessor's written consent before making such alterations. Otherwise, the Lessor has the right to terminate the Agreement and hold the Lessee liable for related liabilities. The cost of construction of the Buildings shall be borne by the Lessee.

The parties agreed that the Lessor shall acquire the Buildings from the Lessee under the following circumstances:

(i) If the Agreement cannot be performed due to reasons attributable to the Lessor, the Lessor shall:

    (a) refund to the Lessee an amount equal to twice the rent paid by the Lessee for the current year as liquidated damages, and

    (b) fully compensate the Lessee for all economic losses thereby incurred (including the portion of the net book value of the construction and renovation costs of the Buildings already incurred by the Lessee).

    Upon payment of the amounts set out in (a) and (b) above, any fixed assets (including but not limited to the Buildings) constructed on the Leased Area shall vest in and belong to the Lessor.

(ii) If the Agreement cannot be performed due to reasons attributable to the Lessee, the Lessee is not entitled to remove or dismantle the Buildings and any fixed structures or improvements on the Leased Area except with the Lessor's consent. In such case, the Lessor shall acquire the Buildings at the Net Book Value of the total construction costs.

(iii) Upon expiry of the lease without renewal or if both parties fail to reach an agreement to a renew, the Lessor shall acquire the Buildings at the Net Book Value of the total construction costs.

Priority in using the Lessor's Transportation Services: For the transit and transportation business in the Leased Area, the Lessee shall, under the same commercial terms, give priority to using the vehicles of the Lessor or its affiliated group.

First Right to Renewal: Upon the expiration of the term of the lease under the Agreement, if the Lessor intends to continue leasing the Leased Area, the Lessee shall have the first right to renew. The Lessor and the Lessee shall negotiate in good faith, and if both parties agree that the Lessee shall continue to lease the Leased Area, the new rent may be adjusted according to market conditions, the valuation of a property appraiser, or further negotiations between the parties. The final rent, duration, and other terms agreed between the parties are subject to the execution of a new formal lease agreement.

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE LESSEE

The Group

The Group is principally engaged in supply chain management service business and printing business.

The Lessee

Harmony Prosper Zambia is a company incorporated in Zambia. It is principally engaged in production, warehousing, and logistics operations in Zambia.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lessee and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

During the first half of 2025, the demand for supply chain management service (in particular logistics and warehousing service) from commodity traders, mine owners, smelters, and processing plants in the Sub-Saharan Africa region continued to grow substantially. The exponential growth of the supply chain management service segment has significantly contributed to the Group's financial performance for the six months ended 30 June 2025 as compared to the same period in the previous year. For further details, please refer to the interim report of the Company for the six months ended 30 June 2025.

In response to the increasing demand for logistics and warehousing services and as part of the Group's expansion plan of its supply chain management service segment, the Board is of the view that the entering into of the Agreement will significantly enhance the Group's logistics and warehousing capabilities and improve the financial position as a whole:

(1) **Revenue Generation and Asset Utilisation:** The Agreement will generate stable rental income for the Group over its lease term. By leasing the Leased Area to a quality lessee, the Group maximises the return on its land assets without requiring significant capital expenditure.

(2) **Strategic Partnership:** The Agreement establishes a long-term strategic partnership with the Lessee, enabling the Group to expand its supply chain management service footprint in Zambia. Under the Agreement, the Lessee has committed to give priority to using the Group's transportation services under the same commercial conditions, which will further enhance the Group's integrated logistics service offerings.

(3) **Risk Mitigation:** The contingent acquisition arrangement ensures that at the end of the lease term or upon early termination, the Group has the obligation to acquire the Buildings constructed by the Lessee at their Net Book Value (after amortisation over 6.5 years), thereby enabling the Group to expand its warehouse and production facilities without bearing the upfront construction costs and risks.

(4) **Market Expansion:** The Agreement allows the Group to expand its presence in the growing Sub-Saharan Africa logistics market. The factory and warehouse facilities to be constructed by the Lessee will complement the Group's existing supply chain management infrastructure and enhance the Group's ability to serve customers in the mining and commodity trading sectors.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following respective meanings:

"Agreement"	the agreement dated 31 October 2025 entered into between Tera Logistics Limited (as the lessor) and Harmony Prosper Zambia Limited (as the lessee) for the lease of the Leased Area
"Board"	the board of Directors
"Buildings"	the buildings, structures, and improvements to be constructed by the Lessee on the Land and any subsequent alterations to the same
"Company"	Smart Globe Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 1481)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Contingent Acquisition"	the contingent acquisition of the Buildings by the Lessor from the Lessee as described under the section headed "Contingent Acquisition" of this announcement
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	any party who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is third party(ies) independent of and not connected with the Company and its connected persons
"Land"	two pieces of land located at (a) Lot No. 7 Kaniki of approximately 46.67 hectares; and (b) Subdivision A of F/2957 of approximately 48.44 hectares, both situate in Ndola in the Copperbelt province of Zambia
"Leased Area"	the area described under the heading "Size of Leased Area" in the announcement

"Lessee" or "Harmony Prosper Zambia"	Harmony Prosper Zambia Limited, a company incorporated in the Zambia with limited liability
"Lessor"or "Tera Logistics"	Tera Logistics Limited, an indirect non-wholly owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Net Book Value"	costs less accumulated amortisation, which are amortised over a period of 6.5 years starting from the construction completion date
"percentage ratios"	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
"Share(s)"	the ordinary shares in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States of America
"Zambia"	the Republic of Zambia
"%"	per cent

For the purposes of illustration only, amounts denominated in US$ in this announcement have been converted into HK$ at the rate of US$1.00 = HK$7.80. Such conversion should not be construed as a representation that the amounts have been or could be converted at such particular exchange rate.

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

Hong Kong, 31 October 2025

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.