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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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

### **FINANCIAL HIGHLIGHTS**

- The revenue of Smart Globe Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) amounted to approximately HK\$117.6 million for the year ended 31 December 2024 (“**FY2024**”) (for the year ended 31 December 2023 (“**FY2023**”): approximately HK\$97.2 million), representing an increase of approximately 20.9% as compared to FY2023.
- The loss for the year of the Group was approximately HK\$12.0 million for FY2024 (FY2023: approximately HK\$3.7 million). The increase in loss for the year of FY2024 was mainly attributable to (i) the Group enhanced competitive pricing strategy in order to attract more customer orders for its printing business within an intense market competition during FY2024, as a result of which it recorded an increase in revenue but a decrease in gross profit margin and gross profit for FY2024; and (ii) the increase in administrative expenses, including legal and professional fees associated with commencement of supply chain management service business in Sub-Saharan Africa.
- Basic loss per share for FY2024 was approximately HK1.18 cents (FY2023: HK0.36 cents).
- The board (the “**Board**”) of directors of the Company (the “**Directors**”) does not recommend the payment of any final dividend for FY2024 (FY2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board hereby presents the Company's annual results for FY2024, together with the comparative figures for the corresponding period in FY2023.

### **Business Review**

#### ***Printing Business***

The Group is engaged in its core business of printing of books, novelty and packaging products, offering an extensive suite of services that encompasses the entire printing process from pre-press to finishing and producing customised value-added printing products. Despite the difficulties and challenges encountered by the Group from the fierce market and keen competition, the Group continues to explore and capture new business opportunities by enhancing its marketing strategy.

During FY2024, the Group's revenue derived from its printing business amounted to approximately HK\$108.1 million, representing an increase of approximately 11.1% as compared to the revenue of approximately HK\$97.2 million recorded in FY2023. Such increase was mainly due to the Group enhanced competitive pricing strategy in order to attract more customer orders within an intense market competition. However, such competitive pricing strategy also resulted in an increase in net loss for the printing segment comparing to FY2023 as it offered lower product price that resulted in a fall in gross profit and related margin.

#### ***Supply Chain Management Service Business***

The Group has commenced its supply chain management service business in Sub-Saharan Africa by setting up its new wholly-owned subsidiaries in the Republic of Zambia ("**Zambia**") and currently engaged in the provision of supply chain management service in Sub-Saharan Africa through its own trucking fleets and other local supply chain management service providers. The major product transported by the trucking fleets are raw materials and commodities with key customers including commodity traders, mine owners, and smelters around the geographical area.

For FY2024, the Group's revenue derived from its new supply chain management service business amounted to approximately HK\$9.5 million and the Group recorded a net profit of approximately HK\$0.4 million in this segment for FY2024. Given that the Group only launched its new supply chain management service business in August 2024, it is anticipated that this segment will take on a greater weighting in the Group's revenue composition in the coming years.

## Financial Review

### Revenue

The Group's revenue was mainly derived from (i) printing of books, novelty and packaging products; and (ii) provision of supply chain management service. During FY2024, the Group's revenue amounted to approximately HK\$117.6 million, representing an increase of approximately 20.9% as compared to the revenue of approximately HK\$97.2 million recorded in FY2023. The increase was mainly attributable to the revenue increment derived from printing business and the new supply chain management service business commenced operation since August 2024.

During FY2024, revenue generated by the printing business segment and supply chain management service business segment accounted for approximately 91.9% and approximately 8.1% of total revenue of the Group, respectively. Revenue contributed by the printing business segment and supply chain management service segment for FY2024 was approximately HK\$108.1 million and approximately HK\$9.5 million, respectively.

### Gross profit and gross profit margin

The following table sets forth the Group's gross profit and gross profit margin by business segments for the years indicated:

	Gross profit		Gross profit margin	
	For the year ended 31 December		For the year ended 31 December	
	2024	2023	2024	2023
	HK\$'000	HK\$'000		
Printing business (books, novelty and packaging products)	13,129	21,551	12.1%	22.2%
Supply chain management service business	617	–	6.5%	–
Total/Overall	<u>13,746</u>	<u>21,551</u>	11.7%	22.2%

During FY2024, the Group's gross profit amounted to approximately HK\$13.7 million, representing a decrease of approximately 36.2% as compared to the gross profit of approximately HK\$21.6 million for FY2023. Such decrease was mainly due to the Group enhanced competitive pricing strategy for its printing business in order to attract more customer orders within an intense market competition. Such pricing strategy resulted in a decline in gross profit in printing segment and was mitigated by the gross profit generated from the Group's newly commenced supply chain management service business.

### *Other income/other gains and losses*

Other income increased by approximately HK\$1.7 million to approximately HK\$2.6 million in FY2024 from approximately HK\$0.9 million in FY2023, mainly due to increase in bank interest income of approximately HK\$0.7 million and increase in receipt of government grants of approximately HK\$0.9 million in FY2024.

Other gains and losses increased by approximately HK\$1.0 million from gain of approximately HK\$0.3 million for FY2023 to gain of approximately HK\$1.3 million for FY2024. This was mainly due to increase in net exchange gain recognised during FY2024.

### *Selling and distribution costs*

Selling and distribution costs remained relatively constant of approximately HK\$6.0 million during FY2024 as compared to approximately HK\$5.8 million for FY2023.

### *Administrative expenses*

Administrative expenses increased by approximately 12.4% from approximately HK\$20.6 million in FY2023 to approximately HK\$23.2 million in FY2024. The increase was mainly due to increase in staff cost of approximately HK\$0.9 million and increase in legal and professional fees associated with commencement of supply chain management service business in Sub-Saharan Africa of approximately HK\$1.1 million.

### *Loss for the year*

As a result of the above factors, loss for the year of FY2024 increased to approximately HK\$12.0 million (FY2023: loss of approximately HK\$3.7 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 FY2023 and/or FY2024. The Board believes that by presenting the changes of these financial data, they can effectively explain the financial performance of the Group for FY2024.

### **FINAL DIVIDEND**

The Board does not recommend payment of any final dividend for FY2024 (FY2023: nil).

## OUTLOOK

The Group will continue to leverage its leading one-stop printing platform and further tighten control over operating expenses and streamline production processes to improve overall production efficiency. While the printing industry continues to face challenges from digital transformation, global competition and economic uncertainty, the Group will continue to enhance its marketing strategy to expand its high-quality customer base and be strategic in customer selection and promote its one-stop printing services to both existing and potential customers amid the challenging environment.

During the third quarter of FY2024, the Group has successfully commenced its supply chain management service business by expanding its operation into the logistics sector in Sub-Saharan Africa. The Group has established its own trucking fleet in Zambia, which has partially contributed to the revenue of the Group for FY2024. Furthermore, the Group has completed the acquisition of land in Zambia (the “**Land**”) in early 2025 and intends to further expand its logistics fleet and set up its own logistics center with warehouse facilities and parking and vehicles maintenance area on the Land. Given that the Land is located in the city of Ndola, in the Copperbelt Province of Zambia and being right next to the border of Sakania of the Democratic Republic of Congo (the “**DRC**”), it is expected that the Group can take advantage of such strategic location to, among other things, facilitate faster customs clearance, reduce transportation costs and increase transportation efficiency. In view of the above, it is expected that the Group will be able to attract other international and local logistics companies to form a strategic partnership thereafter to further strengthen its local presence following the completion of the acquisition of the Land. In particular, the Group signed a memorandum of understanding with COSCO SHIPPING Africa (Pty) Ltd setting out the proposed strategic cooperation between the parties and will strive to enter into legally binding formal agreement(s) to formalise the proposed strategic cooperation in the year ahead. For further details, please refer to the announcements of the Company dated 26 November 2024 and 3 January 2025.

With the intensifying trade war between the People’s Republic of China (the “**PRC**”) and the United States, the global economy will become even more volatile. It is expected that the global economy will take time to recover, resulting in a challenging and uncertain business environment ahead. Going forward, the Board considers that an integrated business approach combining the exploration of new business opportunities and the solidification of its existing business are in the best interest of the Group in the long run, as it would mitigate the overall risk exposure of the business of the Group and enable the Group to adapt to shifting market conditions in any global crisis and uncertainty.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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:

	<b>31 December 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Audited)</b>	(Audited)
Total assets	<b>142,493</b>	150,329
Shareholders' equity	<b>113,159</b>	126,603
Gearing ratio	<b>7.1%</b>	5.2%

The Group maintained cash and cash equivalents amounting to approximately HK\$55.3 million as at 31 December 2024 (as at 31 December 2023: approximately HK\$65.6 million), of which approximately 80.5% was denominated in Hong Kong dollars and 19.5% in United States Dollars, Renminbi ("RMB") and other currencies. 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\$35.5 million as at 31 December 2024 (as at 31 December 2023: approximately HK\$35.7 million), which was primarily due to depreciation of property, plant and equipment throughout FY2024 while increase in deposit paid for property, plant and equipment mitigated the decrement.

As at 31 December 2024, the Group's current assets amounted to approximately HK\$107.0 million (as at 31 December 2023: approximately HK\$114.6 million), which comprised inventories of approximately HK\$17.5 million (as at 31 December 2023: approximately HK\$19.1 million), trade and other receivables of approximately HK\$34.2 million (as at 31 December 2023: approximately HK\$29.2 million), no taxation recoverable (as at 31 December 2023: approximately HK\$0.6 million), and cash and cash equivalents of approximately HK\$55.3 million (as at 31 December 2023: approximately HK\$65.6 million).

As at 31 December 2024, the Group's current liabilities amounted to approximately HK\$24.9 million, which comprised trade and other payables of approximately HK\$20.4 million (as at 31 December 2023: approximately HK\$16.6 million), contract liabilities of approximately HK\$0.9 million (as at 31 December 2023: approximately HK\$0.5 million), and lease liabilities of approximately HK\$3.6 million (as at 31 December 2023: approximately HK\$2.5 million).

As at 31 December 2024, the net current assets of the Group decreased by approximately HK\$12.9 million or approximately 13.5% to approximately HK\$82.1 million (as at 31 December 2023: approximately HK\$95.0 million).

The Group had total lease liabilities of approximately HK\$8.0 million as at 31 December 2024 (as at 31 December 2023: approximately HK\$6.6 million).

As at 31 December 2024, the Group did not have any interest-bearing bank borrowings (as at 31 December 2023: nil).

The Group's gearing ratio, which was calculated as total interest-bearing liabilities divided by total equity, was approximately 7.1% as at 31 December 2024 (as at 31 December 2023: approximately 5.2%). The Group's current ratio, which was calculated as current assets divided by current liabilities, stood at approximately 4.3 as at 31 December 2024 (as at 31 December 2023: approximately 5.8).

## **TREASURY POLICIES**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout FY2024. To manage the liquidity risk, the management monitors the Group's liquidity position and maintains sufficient cash and cash equivalents. The management also monitors the availability of the Group's funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

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

The Group is exposed to foreign exchange risks as the Group's production is mainly in the PRC. The appreciation of RMB may lead to an increase of our cost of production. During FY2024, the Group has not entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks. The Group will keep on reviewing and monitoring the exchange fluctuation between RMB and HK\$, and will consider entering into hedging arrangement as and when appropriate.

## **CAPITAL EXPENDITURE, CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

During FY2024, the Group had acquired property, plant and equipment at approximately HK\$7.3 million (FY2023: HK\$0.5 million).

As at 31 December 2024, the Group has capital commitment, which are authorised and contracted but not provided for, in respect of (i) acquisition of property, plant and equipment amounting to approximately HK\$1.1 million; (ii) acquisition of the Land amounting to approximately HK\$27.1 million; and (iii) construction-in-progress amounting to approximately HK\$11.2 million. Furthermore, the Group had no material contingent liabilities as of the year ended date. (As at 31 December 2023, the Group had (i) no significant capital commitments; and (ii) no material contingent liabilities.)



## **SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

References are made to the announcements of the Company dated 26 November 2024 and 3 January 2025. On 26 November 2024, Tera Logistics Limited (“**Tera Logistics**” as purchaser), an indirect wholly owned subsidiary of the Company, Heng Qu Investment Zambia Limited (“**Heng Qu**” as vendor) and Mr. Du Chunqing (“**Mr. Du**” as guarantor of Heng Qu) entered into the sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which (i) Tera Logistics has conditionally agreed to purchase, and Heng Qu has conditionally agreed to sell the Land, at an aggregate consideration of US\$3,500,000 (equivalent to approximately HK\$27.1 million); and (ii) Mr. Du (as guarantor) has agreed to guarantee the performance of the obligations of Heng Qu under the Sale and Purchase Agreement. On the same day, Huge Cheer Limited (“**Huge Cheer**”), an indirect wholly owned subsidiary of the Company (as issuer), DCQ Holdings Limited (“**DCQ**” as subscriber) and Mr. Du (as guarantor of DCQ) entered into the share subscription agreement (the “**Share Subscription Agreement**”), pursuant to which (i) Huge Cheer has conditionally agreed to allot and issue, and DCQ has conditionally agreed to subscribe for, 2,500 shares in Huge Cheer (the “**Subscription Shares**”) at the subscription price of HK\$2,170 per Subscription Share, representing 20% of the issued shares of Huge Cheer as enlarged by the Subscription Shares, at a total consideration of HK\$5,425,000 in cash (the “**Huge Cheer Share Subscription**”); and (ii) Mr. Du (as guarantor) has agreed to guarantee the performance of the obligations of DCQ under the Share Subscription Agreement. Upon completion of the allotment and issuance of the Subscription Shares, the Group’s shareholding interest in Huge Cheer will be decreased from 100% to 80%, which constitutes a deemed disposal of the Company under Rule 14.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). On 3 January 2025, the acquisition of Land and the Huge Cheer Share Subscription was completed. For further details, please refer to the section headed “EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD” of this announcement.

Save as disclosed herein, during FY2024, the Company did not make any material acquisitions and disposals of subsidiaries, associates, joint ventures, significant investments nor capital commitment.



## **EMPLOYEES' INFORMATION AND EMOLUMENT POLICIES**

Our employees are based in Hong Kong, Heyuan, Guangdong Province, the PRC and Zambia. As at 31 December 2024, there were 438 (as at 31 December 2023: 364) employees in the Group. The total staff costs, including directors' emoluments, amounted to approximately HK\$38.5 million for FY2024 (FY2023: approximately HK\$34.7 million). Staff remuneration packages are determined with reference to 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 ("**Heyuan Factory**"). As at 31 December 2024, there were 406 (as at 31 December 2023: 350) employees in the Heyuan Factory.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

On 26 November 2024, the Company entered into, among others, the convertible bonds subscription agreement, pursuant to which the convertible bonds in the principal amount of HK\$20,100,000 (the "**Convertible Bonds**") were subsequently issued on 3 January 2025 under the general mandate granted in the annual general meeting held on 27 May 2024 (the "**CB Subscription**"). The Convertible Bonds may be converted into a maximum number of 16,750,000 shares of the Company at a conversion price of HK\$1.2 per share. The conversion period shall commence on 3 July 2026 and end on 3 January 2028. The maturity date shall be three years from the date of issue, i.e. 3 January 2028. As at the date of this announcement, none of the Convertible Bonds has been exercised.

The Company intends to utilise the proceeds from the CB Subscription as funding for general working capital for its supply chain management service business (including further expansion of its logistics fleet and development of own logistics center on the Land). For details of the CB Subscription, please refer to the announcements of the Company dated 26 November 2024 and 3 January 2025. As at the date of this announcement, the entire amount of the net proceeds from the CB Subscription remained unutilised and is expected to be utilised on or before 31 December 2026.

Apart from the Company's issue of the Convertible Bonds as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the securities of the Company during FY2024 and up to the date of this announcement.

## USE OF PROCEEDS IN RELATION TO THE 2022 PLACING

References are made to the announcements of the Company respectively dated 15 July 2022, 5 August 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023, 5 July 2023 and 26 November 2024.

On 15 July 2022, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with the Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd. (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 (the “**2022 Placing**”).

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 to the Target Company for the purpose of the 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 the 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 the 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.

On 26 November 2024, the Group entered into the sale and purchase agreement and a memorandum of understanding to seize the potential business opportunity in the logistics industry in Sub-Saharan Africa. As a result, the Group expected to incur substantial upfront costs at the early stage of this investment opportunity arising from, among other things, the purchase of the Land. Given that the Group had yet to identify any pharmaceutical related projects that are worth investing in, on 26 November 2024, the Board resolved to change the use of the net proceeds from the 2022 Placing. For further details, please refer to the announcement of the Company dated 26 November 2024. As of the date of this announcement, the net proceeds of HK\$20.7 million (including the recovered Advancement) have been fully utilised as part of the consideration for the acquisition of the Land.

Details of the net proceeds allocations and remaining balance up to the date of this announcement are set out as below:

	<b>Allocation of the net proceeds as at 1 January 2024</b>	<b>Revised allocation as at 26 November 2024</b>	<b>Remaining balance as at 31 December 2024</b>	<b>Remaining balance as at the date of this announcement</b>
	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>
Intended use of proceeds:				
– Pharmaceutical related projects	13.7	–	–	–
– Core business activities	7.0	–	–	–
– Acquisition of the Land in Zambia (approx. 76.3% of the total consideration)	–	20.7	20.7	– <sup>Note</sup>
	<u>20.7</u>	<u>20.7</u>	<u>20.7</u>	<u>–</u>
Total	<u>20.7</u>	<u>20.7</u>	<u>20.7</u>	<u>–</u>

*Note:* On 3 January 2025, the net proceeds of HK\$20.7 million have been fully utilised.

## **EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD**

References are made to the announcements of the Company dated 26 November 2024 and 3 January 2025 in relation to, among other things, the acquisition of the Land, the CB Subscription and the Huge Cheer Share Subscription. On 3 January 2025, the Group completed the acquisition of the Land, following which both the CB Subscription and Huge Cheer Share Subscription were completed on the same day.

Save as disclosed herein, there were no significant events subsequent to 31 December 2024 which would materially affect the Group's operating and financial performance as of the date of this announcement.

## UPDATE ON DIRECTORS' INFORMATION

Ms. Law Ying Wai Denise (an independent non-executive Director of the Company) ceased to be the independent non-executive Director of Trio Industrial Electronics Group Limited (stock code: 1710.HK) with effect from 28 October 2024.

Save as disclosed above, 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.

## FINANCIAL HIGHLIGHTS

### Loss per share

Loss per ordinary share attributable to owners of the Company:

	<b>2024</b> <i>HK cents</i>	2023 <i>HK cents</i>
(i) Based on weighted average number of ordinary shares	<u><u>(1.18)</u></u>	<u><u>(0.36)</u></u>
(ii) On a fully diluted basis	<u><u>Not applicable</u></u>	<u><u>Not applicable</u></u>

The calculation of basic loss per share is based on the loss for the year of the Company of approximately HK\$12,000,000 for FY2024 (FY2023: approximately HK\$3,690,000) and on the weighted average number of 1,020,000,000 (FY2023: 1,020,000,000) ordinary shares in issue during FY2024.

Diluted loss per share for the years ended 31 December 2023 and 2024 are not presented as there is no dilutive potential ordinary share.

### Revenue

	<b>Year ended 31 December</b>				
	2020	2021	2022	2023	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u><u>127,213</u></u>	<u><u>167,899</u></u>	<u><u>131,647</u></u>	<u><u>97,241</u></u>	<u><u>117,587</u></u>

## Profit (loss) for the year

	Year ended 31 December				
	2020	2021	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company	<u>16,001</u>	<u>1,649</u>	<u>(16,500)</u>	<u>(3,690)</u>	<u>(12,000)</u>

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to enhance its corporate value and safeguard the interests of the shareholders of the Company. The Company has adopted the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. During FY2024, the Company has applied the principles of good corporate governance, and has complied with the code provisions and, where applicable, the recommended best practices as set out 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 Ho Lun (“**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.

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made of all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during FY2024.

## **SHARE OPTION SCHEME**

The Company has conditionally adopted a share option scheme on 4 December 2017 (the “**Scheme**”). No share options have been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2024.

## **SUFFICIENCY OF PUBLIC FLOAT**

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

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Monday, 19 May 2025 (the “**AGM**”), the register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 pm. on Tuesday, 13 May 2025.



## **AUDIT COMMITTEE**

The Company established an audit committee of the Board (“**Audit Committee**”) on 4 December 2017 with written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises all three independent non-executive Directors, namely Ms. Law Ying Wai Denise (Chairperson), Dr. Wu Ka Chee Davy and Mr. Yiu Ho Chi Stephen.

The Audit Committee has reviewed the terms of engagement and scope of audit work of the Company’s external auditors, and the annual and half-year results of the Group for FY2024. The Audit Committee considered that the relevant consolidated financial statements have been prepared in compliance with the applicable accounting principles and requirements of The Stock Exchange of Hong Kong Limited and disclosures have been properly made. The Audit Committee has also reviewed and discussed with the management of the Company regarding matters on risk management and internal control system and financial reporting.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Monday, 19 May 2025. A notice convening the meeting will be issued and sent to the shareholders of the Company in due course.

## **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Revenue</b>	3	<b>117,587</b>	97,241
Cost of sales		<u>(103,841)</u>	<u>(75,690)</u>
<b>Gross profit</b>		<b>13,746</b>	21,551
Other income	4	<b>2,582</b>	898
(Allowance) reversal of allowance for expected credit losses on trade receivables, net		<b>(118)</b>	148
Other gains and losses	5	<b>1,293</b>	294
Selling and distribution costs		<b>(5,961)</b>	(5,800)
Administrative expenses		<b>(23,194)</b>	(20,641)
Finance costs		<u><b>(348)</b></u>	<u>(116)</u>
<b>Loss before taxation</b>		<b>(12,000)</b>	(3,666)
<b>Taxation</b>	6	<u><b>–</b></u>	<u>(24)</u>
<b>Loss for the year</b>		<b>(12,000)</b>	(3,690)
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		<u><b>(1,444)</b></u>	<u>(1,314)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(13,444)</b></u>	<u>(5,004)</u>
		<b>HK cents</b>	HK cents
<b>Loss per share</b>			
– Basic	8	<u><b>(1.18)</b></u>	<u>(0.36)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>33,427</b>	35,730
Deposit paid for property, plant and equipment		<b>2,041</b>	–
		<b>35,468</b>	35,730
<b>Current assets</b>			
Inventories		<b>17,504</b>	19,123
Trade and other receivables	9	<b>34,237</b>	29,239
Taxation recoverable		–	590
Cash and cash equivalents		<b>55,284</b>	65,647
		<b>107,025</b>	114,599
<b>Current liabilities</b>			
Trade and other payables	10	<b>20,410</b>	16,632
Contract liabilities		<b>926</b>	498
Lease liabilities		<b>3,584</b>	2,511
		<b>24,920</b>	19,641
<b>Net current assets</b>		<b>82,105</b>	94,958
<b>Total assets less current liabilities</b>		<b>117,573</b>	130,688
<b>Non-current liabilities</b>			
Lease liabilities		<b>4,414</b>	4,085
<b>NET ASSETS</b>		<b>113,159</b>	126,603
<b>Capital and reserves</b>			
Share capital	11	<b>10,200</b>	10,200
Reserves		<b>102,959</b>	116,403
<b>TOTAL EQUITY</b>		<b>113,159</b>	126,603

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

*For the year ended 31 December 2024*

### 1 GENERAL INFORMATION

The Company is a public limited liability company incorporated in the Cayman Islands and the ordinary shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2017. On 11 December 2020, the ordinary shares of the Company transferred and listed on the Main Board of the Stock Exchange. The immediate holding company and ultimate holding company is TeraMetal Holdings Limited, a company incorporated in British Virgin Islands, which is ultimately controlled by Mr. NG Ho Lun.

### 2 APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

### 3 REVENUE AND SEGMENT INFORMATION

#### Revenue

Revenue represents amounts received or receivable from printing of books, novelty and packaging products and supply chain management service.

#### Disaggregation of revenue from contracts with customers under HKFRS 15

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<u>Revenue recognised at a point in time:</u>		
– Books products	99,757	89,659
– Novelty and packaging products	8,310	7,582
	<u>108,067</u>	<u>97,241</u>
<u>Revenue recognised over time:</u>		
– Supply chain management service	9,520	–
	<u>9,520</u>	<u>–</u>
Total revenue	<u><u>117,587</u></u>	<u><u>97,241</u></u>

#### Revenue from printing of books, novelty and packaging products

The Group's contracts with customers for printing of books, 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 customer.

### Revenue from supply chain management service

Supply chain management service involve handling cargo transported by trucks across countries in Sub-Saharan Africa. Revenue is recognised over the transit time from the points of departure to the agreed off-loading points, as performance obligations are satisfied over time. The standard credit term is 30 days following the receipt of proof of delivery and invoices.

### **Segments information**

Information reported to the Board of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

During the year, the Group commenced the business engaging in supply chain management service along with the establishment of two new companies in Zambia and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments are as follows:

<b>Operating segments</b>	<b>Nature of business activities</b>
Printing business	Printing of books, novelty and packaging products
Supply chain management service business	Provision of supply chain management service



## Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

### For the year ended 31 December 2024

	<b>Printing business</b>	<b>Supply chain management service business</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment Revenue			
External sales	<u>108,067</u>	<u>9,520</u>	<u>117,587</u>
Segment (loss) profit	<u>(5,608)</u>	<u>361</u>	(5,247)
Unallocated other income, other gains and losses			98
Unallocated administration expenses			<u>(6,851)</u>
Loss before taxation			<u>(12,000)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent loss before taxation earned by each segment without allocation of certain administration expenses, other income, other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 December 2024

	<b>Printing business</b> <i>HK\$000</i>	<b>Supply chain management service business</b> <i>HK\$000</i>	<b>Total</b> <i>HK\$000</i>
<b>Segment assets</b>	<u>101,218</u>	<u>40,559</u>	141,777
<b>Unallocated items:</b>			
Corporate assets			<u>716</u>
Consolidated assets			<u>142,493</u>
<b>Segment liabilities</b>	<u>18,097</u>	<u>10,410</u>	28,507
<b>Unallocated items:</b>			
Corporate liabilities			<u>827</u>
Consolidated liabilities			<u>29,334</u>

## Other segment information

### For the year ended 31 December 2024

Amounts included in the measure of segment profit or loss or segment assets:

	<b>Printing business HK\$'000</b>	<b>Supply chain management service business HK\$'000</b>	<b>Total HK\$'000</b>
Addition to property, plant and equipment	<b>2,596</b>	<b>4,710</b>	<b>7,306</b>
Addition to deposit paid for property, plant and equipment	<b>2,041</b>	<b>–</b>	<b>2,041</b>
Depreciation property, plant and equipment	<b>7,687</b>	<b>523</b>	<b>8,210</b>
Allowance for expected credit losses on trade receivables, net	<b>118</b>	<b>–</b>	<b>118</b>
Loss on disposal of property, plant and equipment, net	<b>7</b>	<b>–</b>	<b>7</b>

For the year ended 31 December 2023, the Group operated under a single reporting segment, namely printing business. As there was only one reportable segment, no separate segment revenues and results and segment assets and liabilities were disclosed for the year ended 31 December 2023.

## Geographical information

The Group operates in Hong Kong, the PRC and Zambia.

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

	<b>Revenue from external customers</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>61,481</b>	48,908
United States	<b>17,706</b>	17,121
United Kingdom	<b>3,513</b>	5,975
Netherlands	<b>4,809</b>	6,324
Australia	<b>4,732</b>	7,849
The PRC	<b>7,136</b>	6,320
France	<b>6,702</b>	4,024
Zambia	<b>6,870</b>	–
South Africa	<b>2,640</b>	–
Germany	<b>1,379</b>	558
Others	<b>619</b>	162
	<b>117,587</b>	<b>97,241</b>
	<b>117,587</b>	<b>97,241</b>
	<b>Non-current assets</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
The PRC	<b>31,287</b>	34,874
Hong Kong	<b>169</b>	856
Zambia	<b>4,012</b>	–
	<b>35,468</b>	<b>35,730</b>
	<b>35,468</b>	<b>35,730</b>

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

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Customer A <sup>1</sup>	<b>44,557</b>	<b>35,121</b>
	<b>44,557</b>	<b>35,121</b>

<sup>1</sup> Revenue from printing business.

#### 4 OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Government grants ( <i>note</i> )	1,021	101
Bank interest income	1,493	792
Sundry income	68	5
	<u>2,582</u>	<u>898</u>

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

#### 5 OTHER GAINS AND LOSSES

	2024 <b>HK\$'000</b>	2023 <b>HK\$'000</b>
Net exchange gain	1,300	319
Loss on disposal of property, plant and equipment, net	(7)	(25)
	<u>1,293</u>	<u>294</u>

#### 6 TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The charge comprises:		
Under-provision in prior year		
Hong Kong Profits Tax	–	18
PRC Enterprise Income Tax	–	6
	<u>–</u>	<u>24</u>

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2024 and 2023 as the relevant group entities did not have assessable profits subject to Hong Kong Profits Tax for the year.

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 the year ended 31 December 2024. No provision for the PRC Enterprise Income Tax has been made for the year ended 31 December 2024 and 2023 as the PRC subsidiary did not have assessable income subject to the PRC Enterprise Income Tax for the year.

Under the Zambia Income Tax Act, Chapter 323 of the Laws of Zambia, the general corporate income tax rate applicable to the Zambia subsidiaries is 30% for the year ended 31 December 2024. No provision for Zambia Corporate Income Tax has been made for the year, as the subsidiaries did not have any assessable income subject to corporate income tax.

## 7 DIVIDENDS

No dividend was paid or proposed for ordinary shareholder of the Company during both years, nor has been proposed since the end of the reporting period (2023: nil).

## 8 LOSS PER SHARE

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

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(12,000)</u>	<u>(3,690)</u>
	<b>Number of shares</b>	
	<b>2024</b>	2023
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,020,000</u>	<u>1,020,000</u>

No diluted loss per share is presented as there were no potential ordinary shares issued during both years.



## 9 TRADE AND OTHER RECEIVABLES

	<b>2024</b> <i>HK\$'000</i>	2023 HK\$'000
Trade receivables	<b>33,515</b>	28,619
Less: Allowance for expected credit losses	<u>(1,763)</u>	<u>(1,645)</u>
	<b>31,752</b>	26,974
Rental and other deposits	<b>139</b>	139
Prepayments and other receivables	<u>2,346</u>	<u>2,126</u>
	<b>34,237</b>	29,239
Total trade and other receivables	<u><b>34,237</b></u>	<u>29,239</u>

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	<b>13,638</b>	7,964
31 to 60 days	<b>7,873</b>	8,750
61 to 90 days	<b>5,024</b>	4,633
Over 90 days	<u>5,217</u>	<u>5,627</u>
	<b>31,752</b>	26,974
	<u><b>31,752</b></u>	<u>26,974</u>

## 10 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	11,125	9,731
Accrued expense	7,996	5,628
Other payables	1,289	1,273
	<u>20,410</u>	<u>16,632</u>
Total trade and other payables	<u><u>20,410</u></u>	<u><u>16,632</u></u>

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

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	8,040	7,109
31 to 60 days	2,827	2,406
61 to 90 days	166	194
Over 90 days	92	22
	<u>11,125</u>	<u>9,731</u>
	<u><u>11,125</u></u>	<u><u>9,731</u></u>

## 11 SHARE CAPITAL

The share capital as at 31 December 2024 and 31 December 2023 represents the issued share capital of the Company with details as follows:

	Number of shares <i>'000</i>	Share capital <i>HK\$'000</i>
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 January 2023, 31 December 2023 and 31 December 2024	<u>2,000,000</u>	<u>20,000</u>
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
As at 1 January 2023, 31 December 2023 and 31 December 2024	<u>1,020,000</u>	<u>10,200</u>

## **PRELIMINARY ANNOUNCEMENT OF THE RESULTS**

### **Scope of work of Baker Tilly Hong Kong Limited**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

### **APPRECIATION**

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

### **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.smartglobehk.com](http://www.smartglobehk.com)). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 March 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.*