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ST INTERNATIONAL HOLDINGS COMPANY LIMITED

智紡國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8521)

DISCLOSEABLE TRANSACTION – SUPPLEMENTAL AGREEMENT TO THE MACHINE DESIGN AND PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 27 November 2018 (“**Previous Announcement**”).

As disclosed in the Previous Announcement, Smart Team entered into the Machine Design and Purchase Agreement with the Supplier under which the Supplier undertook to conduct research, develop and appoint a qualified manufacturer to manufacture the Machine, being certain dyeing and finishing machines which incorporated the nanotechnology and dyeing techniques developed by the Group at the consideration of HK\$20,000,000. The validity period of the Machine Design and Purchase Agreement was from the date of signing until 31 December 2019. On 31 December 2019, the parties consented to postpone the validity period for a further term of 6 months till 30 June 2020.

Supplemental Agreement

On 30 June 2020, Smart Team and the Supplier entered into the Supplemental Agreement to amend certain terms to the Machine Design and Purchase Agreement.

The major terms of the Supplemental Agreement are as follows:

- (i) the Supplier shall nominate the Supplier Affiliates to deliver the Machine and Smart Team shall nominate Guangdong Smart Team for the receipt of such delivery;
- (ii) the parties shall respectively procure the Supplier Affiliates and Guangdong Smart Team to enter into separate Machine Provision Agreements regarding the delivery and payment of the Machine on even date;

- (iii) given that the Paid Consideration has been paid and Guangdong Smart Team shall, in accordance with the terms of the Machine Provision Agreements, pay to the Supplier Affiliates the RMB Consideration, the Supplier shall, upon receipt of such RMB Consideration, arrange for return of the Paid Consideration (after Deduction) to Smart Team;
- (iv) upon completion of the above, the Machine Design and Purchase Agreement shall be deemed complete and both parties shall be free from any further obligations thereunder.

Machine Provision Agreements

On 30 June 2020, pursuant to the arrangements as contemplated under the Supplemental Agreement, the Supplier Affiliates and Guangdong Smart Team entered into the Machine Provision Agreements.

The major terms of the Machine Provision Agreements are as follows:

- (i) the Supplier Affiliates shall deliver the Machine to the location designated by Guangdong Smart Team and shall be responsible for installation and maintenance of the Machine; and
- (ii) Guangdong Smart Team shall pay the RMB Consideration to the Supplier Affiliates in accordance with the terms of such agreements.

As the Machine Provision Agreements are stemmed from the Supplemental Agreement and the Machine Design and Purchase Agreement, the terms regarding the purchase and delivery of the Machine (as varied by the Supplemental Agreement and the Machine Provision Agreements) are part and parcel of the discloseable transaction as announced in the Previous Announcement.

The Directors (including the independent non-executive Directors) are of the view that the amended arrangements in relation to the transactions contemplated under the Machine Design and Purchase Agreement and the terms of the Supplemental Agreement and the Machine Provision Agreements are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

Information of the Supplier Affiliates

Each of the Supplier Affiliates is a company registered and established in accordance with the laws of PRC and principally engaged in design, manufacture and trading of textile related machines. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Supplier, the Supplier Affiliates and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

Further information in relation to the Machine

As at the date of this announcement, the Machine was duly delivered and receipt.

The Company is currently identifying the appropriate venue for the installation and operation of the Machine in compliance with the relevant laws, rules and regulations of the PRC.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	ST International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Deduction”	a deduction of a fee in the amount of HK\$200,000 being the research and development fees entitled by the Supplier under the Machine Design and Purchase Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guangdong Smart Team”	廣東兆天紡織科技有限公司 (Guangdong Smart Team Textiles Technology Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	a party who is not a connected person (within the meaning of the GEM Listing Rules) of the Company and associates (within the meaning of the GEM Listing Rules) of such connected persons
“Machine”	certain dyeing and finishing machines which incorporated the nanotechnology and dyeing techniques developed by the Group and manufactured by the Supplier and/or its designated manufacturer pursuant to the Machine Design and Purchase Agreement
“Machine Design and Purchase Agreement”	the agreement dated 27 November 2018 entered into between Smart Team and the Supplier in relation to the purchase of the Machine (and varied by the consent letter entered into by the parties on 31 December 2019)
“Machine Provision Agreements”	the agreements dated 30 June 2020 entered into between Supplier Affiliates and Guangdong Smart Team regarding the delivery and payment of the Machine
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Consideration”	RMB18,363,600, payable by Guangdong Smart Team to Supplier Affiliates pursuant to the Machine Provision Agreements
“Paid Consideration”	HK\$20,000,000, paid by Smart Team pursuant to the Machine Design and Purchase Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Smart Team”	Smart Team Textiles Technology Limited (兆天紡織科技有限公司), a wholly-owned subsidiary of the Company
“Share(s)”	the ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”	the supplemental agreement to the Machine Design and Purchase Agreement dated 30 June 2020 entered into between Smart Team and the Supplier
“Supplier”	a company incorporated with limited liability under the laws of British Virgin Islands and an Independent Third Party
“Supplier Affiliates”	certain entities that are established with limited liability in the PRC as nominated by the Supplier for the delivery of the Machine

* *For identification purposes only*

On behalf of the Board
ST International Holdings Company Limited
Wong Kai Hung Kelvin
Chairman

Hong Kong, 30 June 2020

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Wong Kai Hung Kelvin and Mr. Xi Bin; one non-executive director, namely, Mr. Hung Yuk Miu; and three independent non-executive directors, namely Mr. Ng Wing Heng Henry, Mr. Sze Irons BBS JP and Mr. Fong Kin Tat.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days after the date of publication and on the Company’s website at www.smart-team.cn.