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)

PROFIT WARNING

This announcement is made by ST International Holdings Company Limited ("**Company**", together with its subsidiaries, "**Group**") pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that, based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 ("**2020H1**") and the information currently available, (i) the revenue and gross profit of the Group for 2020H1 has each decreased by around 50% when compared to that for the six months ended 30 June 2019 ("**2019H1**"); and (ii) the net profit after tax of the Group for 2020H1 is expected to decrease by around 90% when compared to the net profit after tax of the Group of approximately HK$14.5 million for 2019H1.

The Directors attribute the aforementioned decrease in net profit after tax principally to (i) the substantial decrease in revenue for 2020H1 of the Company of around 50% as compared to revenue of approximately HK$85.3 million for 2019H1 as a result of the outbreak of coronavirus pandemic ("**COVID-19**") since early 2020 and the implementation of various aggressive and preventive control measures by the government of the People's Republic of China ("**PRC**") which not only resulted in a temporary suspension of operation of the subsidiaries of the Group in the PRC as well as the business operations of the Group's customers in the PRC during the first quarter of 2020 but also a weakened economy overall and thus a prominent decrease in purchase orders received from customers of the Group during 2020H1; and (ii) notwithstanding the substantial decrease in revenue in 2020H1, the administrative and other expenses incurred by the Group were, to a large extent, not variable in nature regardless of sales of the Group.

Despite the business performance of the Group is still adversely affected by the impact of COVID-19 and the weakened economy in general, the Group has achieved an improved performance in the second quarter of 2020 as compared to the first quarter of 2020, in terms of revenue and profits. The Company will continue to closely monitor the market conditions and the pandemic development and to adopt a tightened cost control with an aim to cope with the challenging business environment.

The Company is still in the course of finalising its financial results for 2020H1. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company and information currently available to the Board and may be subject to adjustment and change. All such unaudited consolidated management accounts and information currently available have not been reviewed by the auditors of the Company nor the audit committee of the Board. Finalised interim results of the Group and other details will be disclosed in the 2020 interim results announcement to be published by the Company in August 2020.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 July 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, 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.