**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 AND INSIDE INFORMATION

This announcement is made by ST International Holdings Company Limited ("**Company**", together with its subsidiaries, the "**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 nine months ended 30 September 2021 ("**3Q2021**") and the information currently available, the Group is expected to record a loss of not more than HK$29 million, as compared with a profit for the period of approximately HK$7.5 million for the nine months ended 30 September 2020 ("**3Q2020**").

The Board attributes such turnaround in financial performance principally to the provision for bad debt of approximately HK$46.1 million in respect of the entire balance of trade receivables due from a customer. While the management of the Group, acting prudently, has made the said provision, the Group has recently initiated legal proceedings against such customer with a view to recovering the outstanding trade receivables. As at the date of this announcement, the legal proceedings are still on-going.

Notwithstanding that the Group is expected to record a loss for the period of 3Q2021, the Directors wish to inform the Shareholders and potential investors that the revenue of the Group for 3Q2021 increased by not less than 10% (3Q2020: approximately HK$88.9 million), and both the gross profit and the gross profit margin for the same period were also increased by approximately 25% and more than 2 percentage points respectively.

The information contained in this announcement is solely based on the preliminary assessment conducted by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information, and may be subject to change. The financial results of the Group for the 3Q2021 will only be ascertained after all the relevant results and accounting treatments have been finalized. Shareholders and potential investors of the Company are advised to refer to the details of the Company's 3Q2021 results announcement to be published.

**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, 2 November 2021

*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.*