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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)**

## **PROFIT WARNING**

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 three months ended 31 March 2022 (“**1Q2022**”) and the information currently available, the Group is expected to record a loss of approximately HK\$4.5 million, as compared with a profit for the period of approximately HK\$0.9 million for the three months ended 31 March 2021 (“**1Q2021**”).

The Board attributes such turnaround in financial performance principally to the substantial reduction of over 50% in the revenue for 1Q2022 as compared with that for 1Q2021 (1Q2021: HK\$14.3 million), which thus has resulted in a substantial decrease of over 80% in the gross profit for 1Q2022 as compared with that for 1Q2021 (1Q2021: HK\$4.7 million). Such a significant drop in revenue could be mainly attributed to the decrease in sales orders from some of major customers during 1Q2022. The outbreak of highly transmissible Omicron variant of COVID-19 since late February of 2022 caused significant economic uncertainty in mainland China. The business operations of some of our major customers in Eastern and Northern China were adversely affected by the implementation of various aggressive preventive control measures, which resulted in significant decrease in purchase orders received from these customers during 1Q2022.

For 1Q2022, there was also an increase in administrative and other expenses of approximately HK\$1.2 million as compared with that for 1Q2021, mainly caused by (i) increase in depreciation of plant and equipment of HK\$476,000; (ii) increase in legal and professional fee of HK\$116,000 due to consultancy fee for IT network system improvement and registration of patents; and (iii) increase in staff welfare of approximately HK\$290,000 due to a change in policy regarding rental charges for government subsidised staff quarters.

The information contained in this announcement is solely based on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been reviewed by the Company's auditor or the audit committee of the Board. Such information may be subject to adjustments or changes. The financial results of the Group for 1Q2022 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 results announcement for 1Q2022 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, 5 May 2022

*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](http://www.hkgem.com) for at least seven days after the date of publication and on the Company's website at [www.smart-team.cn](http://www.smart-team.cn).*