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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)**

## **UPDATE ON FINANCIAL INFORMATION**

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 of the Company that, based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the nine months ended 30 September 2022 (“**3Q2022**”) and the information currently available, the Group is expected to record a net profit of not more than HK\$2.5 million for 3Q2022 as compared to a net loss of approximately HK\$27.0 million for the nine months ended 30 September 2021 (“**3Q2021**”).

The turnaround of financial performance was mainly due to the absence of the impairment loss on trade receivables for 3Q2022 (3Q2021: HK46.1 million). However, the Group is expected to record a decrease in revenue and gross profit of around 27% (3Q2021: HK\$101.9 million) and 45% (3Q2021: HK\$32.8 million), respectively for 3Q2022.

During the outbreak of the Omicron variant of COVID-19, some of the major customers temporarily suspended their business operations, eventually reducing demand for the Group’s products for 3Q2022. In the short term, customers of the Group may need time to consume the Group’s products that they have previously stocked up and the Directors believe that this has also reduced the customers’ demand for the products of the Group even after the relaxation of the stringent preventive control measures.

The decrease in gross profit margin for 3Q2022 by around 8 percentage points was mainly due to (i) the decrease in revenue of around 27% compared to 3Q2021; (ii) the increase in the per unit cost of raw materials, processing cost and the shared fixed overhead included in the cost of sales; and (iii) the recognised loss on disposal of the substandard products at approximately HK\$2.5 million in September 2022.

The Group expected to record an increase in selling and distribution expenses of not more than HK\$0.7 million for 3Q2022, representing an increase of around 20% compared to HK\$3.4 million for 3Q2021 primarily due to the increase in marketing consultancy expenses and the product inspection fee.

The administrative and other expenses of the Group for 3Q2022 remained relatively stable, with a decrease of around HK\$0.3 million or 2.7% compared to 3Q2021.

As the Company is still in the process of finalising the results of the Group for 3Q2022, the information contained in this announcement is only a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for 3Q2022, which has not been audited or reviewed by the auditors of the Company nor reviewed by the audit committee of the Board, and may be subject to adjustments and changes. Finalised results of the Group for 3Q2022 and other details will be disclosed in the results announcement for 3Q2022 to be published by the Company.

**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, 4 November 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 Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*