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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券有限公司
Emperor Securities Limited

The Board wishes to announce that after trading hours on 11 October 2023, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 96,000,000 Placing Shares, to not less than six Placées who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.185 per Placing Share.

The maximum number of the Placing Shares represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The Placing Price of HK\$0.185 per Placing Share represents: (i) a discount of approximately 2.63% to the closing price of HK\$0.190 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 19.70% to the average closing price of approximately HK\$0.230 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$17.76 million and the net proceeds will be approximately HK\$17.40 million (after deduction of commission and other expenses of the Placing). It is expected that such net proceeds from the Placing will be used for replenishment of the working capital of the Company to support its business operations.

The Placing Shares will be allotted and issued pursuant to the General Mandate, which has not been utilised prior to the signing of the Placing Agreement since its grant at the 2023 AGM. The allotment and issue of the Placing Shares are not subject to obtaining any additional Shareholders' approval. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Since Completion is subject to the fulfilment of the conditions as described below, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board wishes to announce that after trading hours on 11 October 2023, the Company and the Placing Agent entered into the Placing Agreement, the principal terms of which are summarised below.

THE PLACING AGREEMENT

Date

11 October 2023

Issuer

The Company

Placing Agent

Emperor Securities Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Last Trading Day, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

The Placing Agent will receive a placing commission of 1% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Placees

According to the Placing Agreement, the Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent has represented, warranted and undertaken to the Company that (i) it will use all reasonable endeavours to ensure that none of the Placees and their respective associates will become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing; and (ii) the Placee(s) and their respective ultimate beneficial owners are third parties independent of the Company and its subsidiaries and the connected persons of the Company and any of their respective associates.

Number of Placing Shares

The maximum number of the Placing Shares represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The maximum aggregate nominal value of the Placing Shares under the Placing will be HK960,000.

Placing Price

The Placing Price of HK\$0.185 per Placing Share represents:

- (i) a discount of approximately 2.63% to the closing price of HK\$0.190 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 19.70% to the average closing price of approximately HK\$0.230 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the recent market prices of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with the other Shares in issue as at the date of allotment and issue of the Placing Shares.

Conditions of the Placing

The Completion of the Placing is conditional upon (i) the passing by the board of Directors of a resolution to approve the Placing Agreement and the transactions contemplated hereunder; and (ii) the Stock Exchange granting or agreeing to grant approval for the listing of, and permission to deal in, the Placing Shares with or without conditions.

If the above conditions are not fulfilled by 1 November 2023 (or such later date as may be agreed between the Company and the Placing Agent in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the Company and the Placing Agent shall cease and determine and both the Company and the Placing Agent shall be released from all their respective obligations pursuant to the Placing Agreement and neither the Company nor the Placing Agent shall have any claim against the other party in relation thereto in respect of the Placing save for any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing will take place within three Business Days after the date on which all the conditions set out above are satisfied (or such other date as the Company and the Placing Agent may agree in writing).

Termination

Under the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:00 a.m. on the Completion Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing;

- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would affect the success of the Placing;
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing;
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may have a material effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing;
- (e) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (f) any breach of any of the representations and warranties of the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement as mentioned above and pursuant to the provisions of the Placing Agreement, all respective obligations of either party under the Placing Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for:

- (i) any antecedent breach of any obligation under the Placing Agreement; and
- (ii) liabilities in relation to representation, warranties and undertakings and commissions and expenses under the Placing Agreement (to the extent incurred).

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, all of the Placing Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the 2023 AGM. Under the General Mandate, the Company is authorised to allot, issue and deal with the authorised and unissued Shares in the capital of the Company not exceeding 96,000,000 Shares, being 20% of the number of the issued Shares as at the date of passing the relevant resolution approving the General Mandate. Since the grant of General Mandate and up to the date of this announcement, no new Shares have been issued under the General Mandate.

Accordingly, the allotment and issue of the Placing Shares are not subject to obtaining any additional Shareholders' approval.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in sales of functional knitted fabrics and apparel.

The Directors are of the view that the Placing can raise working capital of the Group for its growth and development and meeting future obligations as well as improve the financial position of the Group. The Placing also offers a good opportunity to diversify the shareholders' base and the capital base of the Company. As such, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$17.76 million and the net proceeds will be approximately HK\$17.40 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price per Placing Share will be approximately HK\$0.181. The Company intends to use the net proceeds arising from the Placing for replenishment of the working capital of the Company to support its business operations.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any other fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (assuming the maximum number of the Placing Shares is placed and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately after Completion (assuming all the Placing Shares has been placed)	
	No. of Shares	Approximate %	No. of Shares	Approximate % (Note 4)
Cosmic Bliss Investments Limited (“Cosmic Bliss”) (Note 1)	5,000	0.00	5,000	0.00
Li Jian (Note 2)	89,495,000	18.64	89,495,000	15.54
Yuan Bo	139,200,000	29.00	139,200,000	24.17
Li Yingyang	81,595,000	17.00	81,595,000	14.17
<i>Public</i>				
Placees (Note 3)	–	–	96,000,000	16.67
Other public Shareholders	169,705,000	35.36	169,705,000	29.46
Total	480,000,000	100.00	576,000,000	100.00

Notes:

1. The entire issued share capital of Cosmic Bliss is owned by Mr. Wong Kai Hung Kelvin (“Mr. Wong”), an executive Director and the sole director of Cosmic Bliss. By virtue of the provisions in Part XV of the SFO, Mr. Wong is deemed to be interested in all the Shares held by Cosmic Bliss.
2. Mr. Li Jian is an executive Director.
3. It is a term of the Placing Agreement that none of the Placees shall become a substantial shareholder of the Company upon Completion.
4. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

WARNING

Since Completion is subject to the fulfilment of the conditions as described above, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“2023 AGM”	the annual general meeting of the Company held on 25 May 2023 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or “extreme conditions” caused by a super typhoon or a black rainstorm warning signal is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	ST International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate granted by the Shareholders at the 2023 AGM to authorise the Directors to allot, issue and deal with the authorised and unissued Shares in the capital of the Company not exceeding 96,000,000 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons of the Company
“Last Trading Day”	11 October 2023, being the date of the Placing Agreement
“Placees”	any independent institutional, professional and/or individual investors who are not connected with any directors, chief executive or substantial shareholder(s) (if any) of the Company or its subsidiaries and their respective associates, whom the Placing Agent or its sub-agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing by the Company of the Placing Shares to not less than six Placees on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation for type 1 and type 4 regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 11 October 2023 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.185 per Placing Share (excluding any transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)

“Placing Shares”	up to a total of 96,000,000 new Shares to be allotted and issued by the Company pursuant to the Placing Agreement each, a “Placing Share”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the GEM Listing Rules
“%”	per cent.

By order of the Board
ST International Holdings Company Limited
Wong Kai Hung Kelvin
Chairman and Executive Director

11 October 2023

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

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 for at least seven days from the date of publication and on the Company’s website at www.smart-team.cn.