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STATE INNOVATION HOLDINGS LIMITED

國科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8275)

PROFIT WARNING

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2022, the Group is expected to record a net loss ranging from approximately HK\$17.6 million to approximately HK\$25.6 million for the nine months ended 31 December 2022 as compared with a net loss of HK\$16.3 million for the corresponding period in 2021. The Board considers that the increase in net loss was primarily attributable to (i) the decrease in revenue due to lower value of contracts awarded to the Group; (ii) the decrease in gross profit due to cost overrun in the Group’s bored pilling projects, mainly the project located in Hung Hom which experienced delay in work progress; and (iii) the increase in administrative expenses due to the increase in legal and professional fee for the Company’s rights issue in 2022.

The Company is in the process of finalising the third quarter results of the Group for the nine months ended 31 December 2022. The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the information currently available and the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2022, which have not been audited nor reviewed by the Group’s auditor and have not been confirmed by the audit committee of the Board and may be subject to adjustment. Shareholders and potential investors of the Company are advised to read carefully the third quarter result announcement of the Company, which is expected to be released on 7 February 2023.

The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
State Innovation Holdings Limited
Tang Kwai Leung Stanley
Chairman and Executive Director

Hong Kong, 31 January 2022

As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley as executive Director; and Mr. He Dingding, Ms. Chan Wan Ling Sammi and Ms. Liu Ching Man as independent non-executive Directors.

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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.beavergroup.com.hk.