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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sandmartin International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Sandmartin International Holdings Limited

聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

REQUISITION BY SHAREHOLDERS AND NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

A letter from the Board is set out on pages 3 to 8 of this circular. A notice convening the SGM to be held at 3:00 p.m. on Thursday, 13 April 2017 at Industrial Zone No. 3, No. 16 Qianjin Erlu, Xin Qian Jin Village, Tanzhou Town, Zhongshan, Guangdong Province, China is set out on pages 9 to 12 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting thereof should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meaning:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day, other than Saturday, Sunday, public holiday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. on which banks generally are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	Sandmartin International Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 482)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	21 March 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China but excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Requisitionists”	collectively Mr. Fung Chuen, Ms. Or Den Fung Bonnie, Ms. Tao Kwok Ying and Mr. Tang Wei Keung
“Requisitions”	the requisitions as set out in the Requisition Notice
“Requisition Notice”	a letter together with a requisition notice dated 2 March 2017 received by the Company from the Requisitionists on 3 March 2017
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened on Thursday, 13 April 2017 for the purposes of, among other things, considering and, if thought fit, approving the resolutions set out in the Requisition Notice
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



Sandmartin International Holdings Limited **聖馬丁國際控股有限公司***

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

Executive Directors

Mr. Hung Tsung Chin (*Chairman*)
Ms. Chen Mei Huei (*Chief executive officer*)
Mr. Liao Wen I
Mr. Frank Karl-Heinz Fischer
Mr. Chen Wei Chun

Registered office

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent Non-executive Directors

Mr. Han Chien Shan
Mr. Wu Chia Ming
Mr. Li Chak Hung

Principal office in Hong Kong:

Units 04-05, 16th Floor
Nam Wo Hong Building
148 Wing Lok Street
Sheung Wan, Hong Kong

23 March 2017

To the Shareholders

Dear Sir or Madam,

REQUISITIONS BY SHAREHOLDERS AND NOTICE OF SGM

1. INTRODUCTION

Reference is made to the announcement of the Company dated 6 March 2017 in relation to the Requisitions. The SGM will be held to consider all the resolutions as proposed in the Requisitions.

The purpose of this circular is to provide you with (i) the information in relation to the Requisitions; (ii) recommendations from the Board in relation to the Requisitions; and (iii) issue of the notice of SGM at which the Shareholders shall be asked to consider and, if thought fit, approve the resolutions in respect of the Requisitions.

* *For identification purpose only*

LETTER FROM THE BOARD

Shareholders are advised to read this circular thoroughly and carefully before deciding how to vote on the resolutions.

2. REQUISITIONS FROM SHAREHOLDERS

On 3 March 2017, the Company received the Requisition Notice from the Requisitionists. As set out in the Requisition Notice, the Requisitionists are the registered shareholders of the Company collectively holding, as the date of the Requisition Notice, an aggregate of 131,170,000 ordinary shares in the capital of the Company, representing approximately 10% of the total issued share capital of the Company. The Requisitionists requested the Board to convene a SGM for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

Resolution 1

“THAT Mr. Hung Tsung Chin, the Chairman of the Board, be required to, within 14 days after the date of Requisition SGM, make a statement by way of a public announcement to explain his reasons for refusing to reply to the enquiries from the shareholders of the Company and their demand for a meeting and/or interview regarding the proposed open offer and subscription of new shares under specific mandate announced by the Company in its announcement dated 24 October 2016 (the “**Proposed Transactions**”);”

Resolution 2

“THAT Mr. Hung Tsung Chin (“**Mr. Hung**”) be removed as an executive Director with immediate effect;”

Resolution 3

“THAT Ms. Chen Mei Huei (“**Ms. Chen**”) be removed as an executive Director with immediate effect;”

Resolution 4

“THAT Mr. Liao Wei I (“**Mr. Liao**”) be removed as an executive Director with immediate effect;”

LETTER FROM THE BOARD

Resolution 5

“THAT Mr. Frank Karl-Heinz Fischer Yan, Pierre (“**Mr. Fischer**”) be removed as an executive Director with immediate effect;”

Resolution 6

“THAT Mr. Chen Wei Chun (“**Mr. Chen**”) be removed as an executive Director with immediate effect;”

Resolution 7

“THAT Mr. Han Chien Shan be removed as an independent non-executive Director with immediate effect;”

Resolution 8

“THAT Mr. Wu Chia Ming be removed as an independent non-executive Director with immediate effect;”

Resolution 9

“THAT Mr. Li Chak Hung be removed as an independent non-executive Director with immediate effect;”

Resolution 10

“THAT Mr. Lo Albert Sze Ming be elected and appointed as an executive Director with immediate effect;”

Resolution 11

“THAT Mr. Yung Chi Man be elected and appointed as an executive Director with immediate effect;”

Resolution 12

“THAT Mr. Cheung Ka Yue be elected and appointed as an independent non-executive Director with immediate effect;”

LETTER FROM THE BOARD

Resolution 13

“THAT Mr. Leung Yat Man be elected and appointed as an independent non-executive Director with immediate effect;”

Resolution 14

“THAT Mr. Hung Sum be elected and appointed as an independent non-executive Director with immediate effect;”

Resolution 15

“THAT any and all Director(s) appointed by the Board pursuant to the Bye-laws of the Company on or after 3rd March 2017 be removed as Director(s) with immediate effect.”

Pursuant to Bye-laws 58 of the Bye-Laws of the Company, registered members of the Company holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The Board having considered the details of the requisitions as contained in the Requisition Notice and Bermuda legal advice, has resolved to convene the SGM pursuant to the Requisition Notice.

3. PROPOSED CHANGES OF DIRECTORS OF THE COMPANY

The Requisitionists requested the nominations of Mr. Lo Albert Sze Ming and Mr. Yung Chi Man be elected and appointed as executive Directors, and Mr. Cheung Ka Yue, Mr. Leung Yat Man and Mr. Hung Sum be elected and appointed as independent non-executive Directors (collectively “**Proposed Directors**”) and requested the removal of Mr. Hung Tsung Chin, Ms. Chen Mei Huei, Mr. Liao Wen I, Mr. Frank Karl-Heinz Fischer Yan, Pierre and Mr. Chen Wei Chun as executive Directors, and Mr. Wu Chia Ming, Mr. Han Chien Shan and Mr. Li Chak Hung as independent non-executive Directors at the SGM.

LETTER FROM THE BOARD

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting. As at the Latest Practicable Date, the Requisitionists did not provide the biographies of the Proposed Directors to the Company upon request by the Company.

4. THE BOARD'S RECOMMENDATIONS

The Board considers effective communication with shareholders is essential to enable them to have a clear assessment of the enterprise performance as well as accountability of the Board. Information of the Company has been effectively communicated to Shareholders through the Company's announcements, financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened from time to time.

Resolution 1 proposed by the Requisitionists requesting Mr. Hung to make a statement by way of a public announcement to explain his reasons for refusing to reply to the enquiries from the shareholders of the Company and their demand for a meeting and/or interview regarding the Proposed Transactions. The Board considers that if Mr. Hung only communicated the information to certain Shareholders in response to their enquiries in relation to the Proposed Transactions, this would constitute the release of asymmetric information to certain Shareholders which is not only unfair and prejudicial to other Shareholders and the public, but also not in compliance with the inside information disclosure requirements under the Listing Rules and SFO.

For the proposed change of all Directors by the Requisitionists, the Requisitionists did not set out the reasons in the Requisition Notice.

The Shareholders should note that Mr. Hung and Ms. Chen are the founders of the Company and together with Mr. Fischer and Mr. Chen, held various senior management of the Group in which they are responsible for strategic planning, day-to-day management of the Group's business and interactions with other stakeholders of the Group such as customers, suppliers and bankers. Removal of the current executive Directors is expected to have a material adverse impact on the operation of the Group which is not in the interest of the Shareholders and the Company as a whole.

Having considered the above, the Board considers the Requisitions are not fair and reasonable and acting not in the best interest of the Company and the Shareholders. Therefore, the Board recommends the Shareholders to **Vote Against** the Requisitions at the SGM.

5. NOTICE OF SGM

Set out on pages 9 to 12 of this circular is the notice of SGM at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve.

LETTER FROM THE BOARD

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the SGM shall therefore demand voting on all resolutions set out in the notice of SGM be taken by way of poll pursuant to Bye-laws 66 of the Company.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his/her name in the register of Shareholders.

7. FORM OF PROXY

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Ltd. at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM. Completion and return of the form or proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy shall be deemed to be revoked.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

By Order of the Board
Sandmartin International Holdings Limited
Hung Tsung Chin
Chairman

NOTICE OF SGM



Sandmartin International Holdings Limited

聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Sandmartin International Holdings Limited (the “**Company**”) will be held at 3:00 p.m. on Thursday, 13 April 2017 at Industrial Zone No. 3, No. 16 Qianjin Erlu, Xin Qian Jin Village, Tanzhou Town, Zhongshan, Guangdong Province, China for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

Resolution 1

“**THAT** Mr. Hung Tsung Chin, the Chairman of the Board, be required to, within 14 days after the date of Requisition SGM, make an statement by way of a public announcement to explain his reasons for refusing to reply to the enquiries from the shareholders of the Company and their demand for a meeting and/or interview regarding the proposed open offer and subscription of new shares under specific mandate announced by the Company in its announcement dated 24 October 2016;”

Resolution 2

“**THAT** Mr. Hung Tsung Chin be removed as an executive Director with immediate effect;”

Resolution 3

“**THAT** Ms. Chen Mei Huei be removed as an executive Director with immediate effect;”

Resolution 4

“**THAT** Mr. Liao Wei I be removed as an executive Director with immediate effect;”

* *For identification purpose only*

NOTICE OF SGM

Resolution 5

“**THAT** Mr. Frank Karl-Heinz Fischer Yan, Pierre be removed as an executive Director with immediate effect;”

Resolution 6

“**THAT** Mr. Chen Wei Chun be removed as an executive Director with immediate effect;”

Resolution 7

“**THAT** Mr. Han Chien Shan be removed as an independent non-executive Director with immediate effect;”

Resolution 8

“**THAT** Mr. Wu Chia Ming be removed as an independent non-executive Director with immediate effect;”

Resolution 9

“**THAT** Mr. Li Chak Hung be removed as an independent non-executive Director with immediate effect;”

Resolution 10

“**THAT** Mr. Lo Albert Sze Ming be elected and appointed as an executive Director with immediate effect;”

Resolution 11

“**THAT** Mr. Yung Chi Man be elected and appointed as an executive Director with immediate effect;”

Resolution 12

“**THAT** Mr. Cheung Ka Yue be elected and appointed as an independent non-executive Director with immediate effect;”

NOTICE OF SGM

Resolution 13

“**THAT** Mr. Leung Yat Man be elected and appointed as an independent non-executive Director with immediate effect;”

Resolution 14

“**THAT** Mr. Hung Sum be elected and appointed as an independent non-executive Director with immediate effect;”

Resolution 15

“**THAT** any and all Director(s) appointed by the Board pursuant to the Bye-laws of the Company on or after 3rd March 2017 be removed as Director(s) with immediate effect.”

By Order of the Board
Sandmartin International Holdings Limited
Hung Tsung Chin
Chairman

Hong Kong, 23 March 2017

NOTICE OF SGM

Notes:

- 1) Any shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- 2) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- 3) The transfer books and register of shareholders will be closed from Monday, 10 April 2017 to Thursday, 13 April 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to be eligible for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 7 April 2017.

As at the date of this announcement, the executive directors of the Company are Mr. Hung Tsung Chin, Ms. Chen Mei Huei, Mr. Liao Wen I, Mr. Frank Karl-Heinz Fischer and Mr. Chen Wei Chun; the independent non-executive directors of the Company are Mr. Han Chien Shan, Mr. Wu Chia Ming and Mr. Li Chak Hung.