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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)

CLARIFICATION ANNOUNCEMENT

The Open Offer

Reference is made to the circular of Sandmartin International Holdings Limited (the “**Company**”) dated 24 May 2017 relating to the Open Offer (the “**Circular**”) and the prospectus of the Company dated 28 June 2017 relating to the Open Offer (the “**Prospectus**”). Capitalised terms used herein shall have the same meaning as those defined in the Circular and the Prospectus unless specified otherwise.

The Company would like to clarify that certain inconsistencies were found in the Circular and the Prospectus (the “**Inconsistency**”) due to inadvertent mistake as follows:

1. The Letter from the Independent Financial Adviser in the Circular should be read as follows (amendment is underlined):

(i) Second paragraph on page 60 of the Circular

“The Group has advanced several loans amounting to US\$38 million (approximately HK\$295 million) to MyHD during the period from 1 April 2014 to 31 March 2017...”

(ii) First paragraph, third line onwards on page 65 of the Circular

“...It also recorded net liabilities of approximately US\$13.7 million as at 30 June 2015. The increase in net liabilities was due to the accumulated net loss of approximately US\$45.3 million since 30 June 2015 resulting from the payment of TV content fee of approximately US\$21 million for the period from 1 July 2015 to 31 March 2017...”

The Independent Financial Adviser confirms to the Company that the aforesaid amendments do not affect its opinion to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer.

2. The Letter from the Board in the Circular and the Prospectus should be read as follows (amendment is underlined):

(i) Fourth paragraph on page 28 of the Circular

“Up to 31 March 2017, the Group had total investment of approximately US\$54.2 million in MyHD (comprising equity investment of approximately US\$16.2 million and loan and advance of approximately US\$38 million)...”

(ii) Third paragraph, the last fifth line onwards on page 30 of the Circular

“Subsequent to the Fifth MyHD Loan up to 31 March 2017, the Company advanced further inter-company loans of approximately US\$17.5 million (approximately HK\$104.6 million) to MyHD...”

(iii) Third paragraph, the last fifth line onwards on page 29 of the Prospectus

“Subsequent to the Fifth MyHD Loan up to 31 March 2017, the Company advanced further inter-company loans of approximately US\$17.5 million (approximately HK\$104.6 million) to MyHD...”

The Board confirms that the above clarifications do not affect other information contained in the Circular and the Prospectus.

Net liabilities of MyHD

The Company would like to clarify that the net liabilities of MyHD of AED13,021,000 (equivalent to approximately HK\$27,474,000) as at 31 May 2014 as disclosed in the Company’s announcement dated 12 June 2017 was based on the unaudited management account provided by the management of MyHD while the net asset value of MyHD of AED9,280,000 (equivalent to approximately HK\$19,580,800) as at 30 June 2014 as disclosed in the Company’s announcement dated 16 May 2016 was audited by the auditors of MyHD. Such variance was mainly due to reclassification of the shareholder’s advance from current liabilities to equity of MyHD as at 30 June 2014 by the auditors of MyHD and is not relevant to the assignment of loan by the shareholder of MyHD.

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

Hong Kong, 18 August 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. Wu Chia Ming, Mr. Li Chak Hung and Mr. Lau Yau Cheung.

** For identification purpose only*