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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)

**INSIDE INFORMATION
DELISTING OF TAIWAN DEPOSITARY RECEIPTS**

The Company received a notice from the Taiwan Stock Exchange on 5 May 2020, whereby the Taiwan Stock Exchange indicated that it shall require the TDRs to be delisted with effect from 15 June 2020 pursuant to the relevant rules of the Taiwan Stock Exchange as the equity attributable to the owners of the Company fell below one-third of the sum of the share capital and the share premium of the Company as set out in the annual report of the Company for the year ended 31 December 2019 and its conversion report prepared under the IFRSs recognised by the FSC, which was determined pursuant to the relevant rules of the Taiwan Stock Exchange and published as an overseas regulatory announcement of the Company on 29 April 2020. As such, the last trading day of the TDRs shall fall on 12 June 2020.

Pursuant to the rules of the Taiwan Stock Exchange and the depositary agreement dated 11 December 2009 entered into between the Company and Far Eastern International Bank Co., Ltd. as the depositary agent, a TDR Holder may:

- (i) on or before the Last Trading Day, continue to trade the TDRs on the Taiwan Stock Exchange;
- (ii) on or before the Last Trading Day, apply to the Depositary Agent to (a) convert the TDRs into Shares and take possession of the Shares so converted; or (b) convert the TDRs into Shares and sell the Shares so converted and receive the net proceeds thereof;
- (iii) on or before the Last Trading Day, instruct the Depositary Agent to convert the TDRs into Shares and sell the Shares so converted as soon as possible after the Last Trading Day; or
- (iv) within 50 days from and including the date of TDR Delisting, request the Company to repurchase their TDRs pursuant to the TWSE Delisting Procedures. Any TDRs so repurchased by the Company will be surrendered to the Depositary Agent, which shall then cancel the surrendered TDRs and arrange for the Shares represented by such surrendered TDRs to be transferred to the Company for cancellation.

For any outstanding TDRs that have neither been converted into Shares nor repurchased by the Company, the underlying Shares of such outstanding TDRs shall be disposed of by the Depositary Agent and the net proceeds thereof after deducting the expenses incurred shall be paid to the relevant TDR Holders.

THE TDR DELISTING, THE CONVERSION OFFER AND THE TDR REPURCHASE

This announcement is made by Sandmartin International Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 9 April 2020, 15 April 2020 and 29 April 2020 (the “**Announcements**”) in relation to the delisting of TDRs of the Company as requested by the Taiwan Stock Exchange. Unless otherwise specified herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Directors of the Company wishes to inform the holders of the Shares (the “**Shareholders**”) and the holders of the TDRs (the “**TDR Holders**”) that the Company received a notice from the Taiwan Stock Exchange on 5 May 2020, in which it was indicated that the Taiwan Stock Exchange shall require the TDRs to be delisted (the “**TDR Delisting**”) with effect from 15 June 2020 pursuant to the relevant rules of the Taiwan Stock Exchange as the equity attributable to the owners of the Company fell below one-third of the sum of the share capital and the share premium of the Company as set out in the annual report of the Company for the year ended 31 December 2019 and its conversion report prepared under the IFRSs recognised by the FSC, which was determined pursuant to the relevant rules of the Taiwan Stock Exchange and published as an overseas regulatory announcement of the Company on 29 April 2020. As such, the last trading day (the “**Last Trading Day**”) of the TDRs shall fall on 12 June 2020.

The TDRs have been listed on the Taiwan Stock Exchange since 18 December 2009. As at the date of this announcement, there are 239,772,052 units of TDRs circulating in the market, representing 239,772,052 Shares with a nominal value of HK\$0.1 each in the share capital of the Company, which constitute approximately 7.31% of the issued share capital of the Company.

Pursuant to the rules of the Taiwan Stock Exchange and the depositary agreement dated 11 December 2009 entered into between the Company and Far Eastern International Bank Co., Ltd. (the “**Depository Agent**”) as the depositary agent, a TDR Holder may:

- (i) on or before the Last Trading Day, continue to trade the TDRs on the Taiwan Stock Exchange;
- (ii) on or before the Last Trading Day, apply to the Depository Agent to (a) convert the TDRs into Shares and take possession of the Shares so converted; or (b) convert the TDRs into Shares and sell the Shares so converted and receive the net proceeds thereof;
- (iii) on or before the Last Trading Day, instruct the Depository Agent to convert the TDRs into Shares and sell the Shares so converted as soon as possible after the Last Trading Day; or
- (iv) within 50 days from and including the date of TDR Delisting, request the Company to repurchase their TDRs (the “**TDR Repurchase**”) pursuant to the Taiwan Stock Exchange Corporation Procedures for Applications by Taiwan Stock Exchange Listed Companies for the Delisting of Securities (臺灣證券交易所股份有限公司上市公司申請有價證券終止上市處理程序) (the “**TWSE Delisting Procedures**”). Any TDRs so repurchased by the Company will be surrendered to the Depository Agent, which shall then cancel the surrendered TDRs and arrange for the Shares represented by such surrendered TDRs to be transferred to the Company for cancellation. The TDR Repurchase is expected to be completed on 3 August 2020.

For any outstanding TDRs that have neither been converted into Shares nor repurchased by the Company, the underlying Shares of such outstanding TDRs shall be disposed of by the Depositary Agent and the net proceeds thereof after deducting the expenses incurred shall be paid to the relevant TDR Holders. The TDR Delisting will not, of itself, affect the listing and trading of the Shares on the Stock Exchange.

Further announcement(s) in relation to the TDR Delisting will be made by the Company as and when appropriate. Shareholders, TDR Holders and potential investors should be aware of any information published and to be published by the Company from time to time when dealing in the securities of the Company.

DETERMINATION OF THE REPURCHASE PRICE

As disclosed in the announcement of the Company dated 15 April 2020, according to the TWSE Delisting Procedures, the Repurchase Price per TDR shall be the higher of (i) the simple arithmetic mean of the closing price of the TDRs in the one month preceding 15 April 2020, i.e. the Board Approval Date, being NT\$0.271 (equivalent to approximately HK\$0.0698) in the present case; and (ii) the equity attributable to the owners of the Company per Share based on the latest published financial information of the Company (the audited final results of the Group for the year ended 31 December 2019), being NT\$0.0054 (equivalent to approximately HK\$0.00139). Accordingly, the Repurchase Price was fixed at NT\$0.271 (equivalent to approximately HK\$0.0698) on the Board Approval Date, and such price represents:

- (a) a premium of approximately 24.6% to the closing price of HK\$0.056 per Share, as quoted on the Stock Exchange on the Board Approval Date; and
- (b) a premium of approximately 24.2% to the average closing price of approximately HK\$0.0562 per Share for the five consecutive trading days on the Stock Exchange immediately prior to the Board Approval Date.

CONVERSION OFFER

To encourage the TDR Holders to convert the TDRs into Shares on or before the Last Trading Day, the Board has resolved and approved that the Company will pay the transaction costs for those TDR Holders who held and elected to convert at least 50,000 units TDR into Shares (the “**Conversion Offer**”). The transaction costs to be paid to the Depositary Agent is NT\$0.05 per unit TDR and a minimum charge of NT\$2,500 per transaction is applied.

FINANCING OF THE CONVERSION OFFER AND THE TDR REPURCHASE

Assuming that all TDR Holders who held 50,000 units TDR or above elect to convert the existing TDRs into Shares, the aggregate maximum conversion expenses will be approximately NT\$9,052,000 (equivalent to approximately HK\$2,333,000). Assuming that all the existing TDRs are required to be repurchased by the Company, the aggregate Repurchase Price will be approximately NT\$64,978,000 (equivalent to approximately HK\$16,747,000). The Company intends to finance the Conversion Offer and the TDR Repurchase by internal and external financial resources.

After taking into account the financial resources available to the Group as at the date of this announcement, the Directors are of the view that even if all the existing TDRs are required to be repurchased by the Company, there would be no significant adverse impact on the financial position of the Company (when compared with the position as disclosed in the latest published audited accounts contained in the annual report of the Company for year ended 31 December 2019).

IMPACT OF THE TDR REPURCHASE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) before completion of the TDR Repurchase and (ii) immediately following completion of the TDR Repurchase with the assumptions that (i) all the existing TDRs are repurchased by the Company; (ii) no Shares are allotted and issued or repurchased by the Company on or before completion of the TDR Repurchase (other than the Shares represented by the existing TDRs); and (iii) there is no change in the number of issued Shares held by the shareholders of the Company described below immediately before completion of the TDR Repurchase:

Shareholder	Before completion of the TDR Repurchase		Immediately after completion of the TDR Repurchase	
	No. of Shares held	Approximate % of the total issued Shares	No. of Shares held	Approximate % of total issued Shares
First Steamship Company Limited	950,859,347 (Note 1)	29.00%	950,859,347	31.29%
Metroasset Investments Limited	507,188,592 (Note 2)	15.47%	507,188,592	16.69%
Public shareholders	1,581,005,344	48.22%	1,581,005,344	52.02%
TDR Holders	239,772,052	7.31%	-	0.00%
Total	3,278,825,335	100.00%	3,039,053,283	100.00%

Notes:

1. First Steamship Company Limited ("**First Steamship**") is interested in 950,859,347 Shares through First Mariner Holding Limited, its wholly-owned subsidiary, which holds 833,000,000 Shares and Grand Citi Limited, its non-wholly owned subsidiary, which holds 117,859,347 Shares.
2. These Shares are held by Metroasset Investments Limited, 45.09% and 43.38% of the issued share capital of which are beneficially owned by Mr. Hung Tsung Chin (an executive Director of the Company) and Ms. Chen Mei Huei (spouse of Mr. Hung Tsung Chin) respectively.

IMPLICATIONS UNDER THE CODES ON TAKEOVERS AND MERGERS AND SHARE BUY-BACKS

As set out in the above table, the shareholding percentage of First Steamship in the issued share capital of the Company may increase from 29% to 31.29% immediately after completion of the TDR Repurchase. In this regard, the Company is consulting the Securities and Futures Commission on the implications under The Codes on Takeovers and Mergers and Share Buy-backs.

Shareholders, TDR Holders and potential investors of the Company should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board
Sandmartin International Holdings Limited
Lau Yau Cheung
Chairman

Hong Kong, 5 May 2020

As at the date of this announcement, the Directors of the Company are:

Executive Directors

Mr. Hung Tsung Chin and Mr. Chen Wei Chun

Non-Executive Director

Mr. Kuo Jen Hao

Independent Non-Executive Directors

Mr. Lau Yau Cheung (Chairman), Mr. Li Chak Hung and Mr. Wu Chia Ming

In this announcement, NT\$ has been converted to HK\$ at the rate of HK\$1 = NT\$3.88 for illustration purpose only. No representation is made that any amounts in NT\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

** For identification purpose only*