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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)**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 6 August 2020, the Company entered into the Subscription Agreement with the Subscriber. Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 100,000,000 Subscription Shares. The Subscription Shares will be issued at the Subscription Price of HK\$0.10 per Subscription Share.

The total number of 100,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 3.05% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.96% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion). The Subscription Shares will be issued under the General Mandate and the issue of the Subscription Shares will not be subject to the approval by the Shareholders.

The gross proceeds of the Subscription will be HK\$10,000,000 and the net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$9,800,000, representing a net issue price of approximately HK\$0.098 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for financing the Company's TDR Repurchase and the general working capital of the Group.

An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Subscription. The Subscription is conditional upon, among other things, the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares. If the conditions precedent for the Subscription are not fulfilled, the Subscription will not proceed.

**Completion of the Subscription is subject to a number of conditions. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **The Subscription Agreement**

Date: 6 August 2020

Issuer: The Company

Subscriber: Glamour Field Ventures Limited

The Subscriber is Glamour Field Ventures Limited, a company incorporated in Hong Kong with limited liability.

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 100,000,000 Subscription Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are third part(ies) independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company. Immediately before entering into of the Subscription Agreement, neither the Subscriber nor its ultimate beneficial owner(s) has any interests in the Shares.

### **Subscription Shares**

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 3,278,825,335 Shares have been issued and are fully paid up. The total number of 100,000,000 Subscription Shares (of an aggregate nominal value of HK\$10,000,000) to be allotted and issued under the Subscription represents (i) approximately 3.05% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.96% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

### **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank *pari passu* among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Subscription Price**

The Subscription Price of HK\$0.10 per Subscription Shares represented:

- (i) a premium of approximately 26.58% to the closing price of HK\$0.079 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 38.89% to the average closing price of approximately HK\$0.072 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 49.48% to the average of the closing prices of approximately HK\$0.0669 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to the including the Last Trading Day; and

- (iv) a premium of approximately 426% to the audited net asset value per Share of approximately HK\$0.019 as at 31 December 2019 (based on the audited net asset value of approximately HK\$62,295,000 and a total of 3,278,825,335 Shares issued as at 31 December 2019).

The net Subscription Price, after deduction of relevant expenses (including but not limited to legal expenses and disbursements) of approximately HK\$200,000, is estimated to be approximately HK\$0.098 per Subscription Share.

The Subscription price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to, among other things, the prevailing market price of the Shares and the liquidity of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion is conditional on the following:

- a) the listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently revoked prior to the Completion Date);
- b) the Shares remaining listed on the Stock Exchange and traded on the Stock Exchange at all times from the date of the Subscription Agreement to the Completion Date, except for the suspension of trading of the Shares for the purpose of clearing the announcement in relation to the Subscription or the transactions contemplated under the Subscription Agreement or temporary suspension not exceeding 10 consecutive trading days; and
- c) none of the Subscriber's warranties being found to be untrue or incorrect in any material respect on and as at the Completion Date.

In the event that the above conditions precedent are not fulfilled on or before the Long Stop Date (or such other date as may be agreed by the Company and the Subscriber in writing), the Subscription agreement shall be terminated and all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other, save for any antecedent breaches of the terms under the Subscription Agreement.

**Given that completion of the Subscription is subject to a number of conditions, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **Completion**

Completion of the Subscription Agreement shall take place on the third business day after the conditions precedent of the Subscription Agreement are fulfilled (or such other time and date as may be agreed by the Company and the Subscriber) provided that it shall be a date no later than the Long Stop Date.

### **Application for Listing**

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds of the Subscription will be HK\$10,000,000 and the net proceeds of the Subscription, after deduction of all relevant costs and expenses, are estimated to be approximately HK\$9,800,000, representing a net issue price of approximately HK\$0.098 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for financing the TDR Repurchase of the Company and as general working capital of the Group.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the Company to finance its TDR Repurchase and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Board has considered other alternative fundraising methods such as debt financing. The Board considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming.

Based on the above, the Directors consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the Completion assuming that there is no change in the number of issued Shares held by the shareholders of the Company from the date of announcement up to the date of Completion:

Shareholder	As at the date of this announcement		Immediately after the Completion	
	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	28.14%
Metroasset Investments Limited	507,188,592 (Note 2)	15.47%	507,188,592	15.01%
Other shareholders	1,820,777,396	55.53%	1,820,777,396	53.89%
Subscriber	-	-	100,000,000	2.96%
<b>Total</b>	<b>3,278,825,335</b>	<b>100.00%</b>	<b>3,378,825,335</b>	<b>100.00%</b>

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.*

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the twelve months immediately preceding the date of this announcement.

## **GENERAL MANDATE**

The total number of 100,000,000 Subscription Shares shall be allotted and issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 June 2020.

Under the General Mandate, the Company is authorised to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the aforesaid annual general meeting of the Company, which amounts to 655,765,067 new Shares. As at the date of this announcement, no Shares have been issued by the Company under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

## **INFORMATION ON THE COMPANY AND THE SUBSCRIBER**

The principal activity of the Company is investment holding. The Group is principally engaged in designing, manufacturing and trading of media entertainment platform related products and connectors, cables, and assorted electronic accessories.

The Subscriber is principally engaged in investment holding.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Company”	Sandmartin International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 482)
“Completion”	completion of the Subscription
“Completion Date”	the date when Completion shall take place, being the 3 <sup>rd</sup> business day after all the Conditions have been fulfilled, or such other date as may be agreed in writing between the parties to the Subscription Agreement, provided that it shall be a date no later than the Long Stop Date
“Conditions”	the conditions precedent to Completion as set out in the section titled “Conditions Precedent” in this announcement

“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 29 June 2020 to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Special Administrative Region of the People’s Republic of China
“Last Trading Day”	5 August 2020, being the trading date immediately prior to the date of the Subscription Agreement
“Long Stop Date”	31 August 2020, or such later date as may be agreed in writing between the Company and the Subscriber
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber”	Glamour Field Ventures Limited
“Subscription”	subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 6 August 2020 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Shares”	an aggregate of 100,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“TDR Repurchase”	the repurchase of the Taiwan Depositary Receipts of the Company 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), details of which have been disclosed in the announcements of

the Company respectively dated 9 April 2020, 15 April 2020, 29 April 2020 and 5 May 2020

“%”

per cent.

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

Hong Kong, 6 August 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

\* *For identification purpose only*