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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)

PROFIT WARNING

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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that after preliminary review by the Company’s management of the unaudited consolidated management accounts of the Group, the Group is expected to record an increase of approximately 80% in its consolidated net loss for the year ended 31 December 2017 when comparing with the corresponding period in 2016.

The substantial increase in consolidated net loss for the year ended 31 December 2017 is primarily attributable to decrease in revenue and gross profit and the operational losses incurred by the satellite TV broadcasting segment of the Group and the impairment losses recognized for the goodwill on My HD Media FZ-LLC (“**MyHD**”) which mainly engage in the satellite TV broadcasting business. The decrease in revenue is primarily due to the keen competition from other manufacturers in China for the media entertainment platform related products, while the decrease in gross profit and the substantial increase in operational losses incurred by the satellite TV broadcasting segment of the Group were due to the consolidation of full year financial results of MyHD for the year ended 31 December 2017 when comparing with the consolidation of six months financial results of MyHD for the year ended 31 December 2016 after MyHD became a 51%-owned subsidiary of the Company on 5 July 2016. The Board wishes to draw the attention of the shareholders of the Company and potential investors to the fact that the amount of impairment losses for the goodwill of MyHD recorded in the profit and loss accounts of the Company are non-cash in nature and will not have any impact on the daily operations and cash flow of the Group.

The Company is still in the process of finalizing the Group's annual results for the year ended 31 December 2017. The information contained in this announcement is only based on the preliminary review of the Company's management of the unaudited consolidated management accounts of the Group which have not been audited by the auditors of the Company, nor reviewed by the audit committee of the Company. The audited consolidated annual results of the Group for the year ended 31 December 2017 may be subject to further adjustment(s) and may be different from the information contained in this announcement. Details of the Group's financial information will be published in the Company's announcement of annual results for the year ended 31 December 2017, which is expected to be published before the end of March 2018.

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

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

Hong Kong, 20 March 2018

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*