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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 pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

Based on the preliminary review of the management accounts by the management of the Group for the year ended 30 June 2013, the Group is expected to record a substantial loss for the year ended 30 June 2013. This announcement is only based on the Company's preliminary review of the management accounts of the Group, which has not been confirmed nor reviewed by the Company's auditors.

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

This announcement is made by the Board of directors (the "**Board**") of Sandmartin International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the "**SFO**").

The Board wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a substantial loss for the year ended 30 June 2013, which was mainly attributable to impairment on intangible assets due to the termination of licensed

children apparels business under the brand name of “Pleasant Goat and Big Big Wolf”, impairment in goodwill and reversal of certain deferred tax assets of European subsidiaries, and the decline in revenue and gross profit arising from the debt crisis in Europe and chaotic political situation in the Middle East and North Africa.

This announcement is only based on the Company’s preliminary review of the management accounts of the Group which has not been confirmed nor reviewed by the Company’s auditors. The Shareholders and potential investors should read the annual results announcement of the Group for the year ended 30 June 2013, which is expected to be published before the end of September 2013.

The Board considers that the overall operation of the Group as a whole remains sound and intact, and the financial position of the Group remains solid.

Shareholders 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
Hung Tsung Chin
Chairman

Hong Kong, 31 July 2013

As at the date of this announcement, the executive directors are Mr. Hung Tsung Chin, Ms. Chen Mei Huei, Mr. Liao Wen I, Mr. Frank Karl-Heinz Fischer, Mr. Mu Yean Tung and Mr. Shou Philip Ming-Yung; the independent non-executive directors are Mr. Hsu Chun Yi, Mr. Lee Chien Kuo, and Mr. Han Chien Shan.

** For identification purposes only*