Sandmartin International Holdings Limited
聖馬丁國際控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 482)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

Financial Highlights

- Group turnover up 12.4% to HK$896.3 million
- Profit for the period were HK$8.4 million
- Profit attributable to shareholders were HK$4.9 million
- Basic earnings per share were 0.4 HK cents

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

Over the past six months, it was a challenging period for Sandmartin International Holdings Limited and its subsidiaries ("SMT" or our "Group"), the overall market remained sluggish in its recovery as the general economy was uncertain, especially in European Markets, the Group could not be immune from this macro business environment. Despite this short-term depression in those markets, I am confident in North American Markets as its economy is being recovered.

Although the total revenue and gross revenue of the Group would increasing due to the economic recovery of North America Markets, as well as new business opportunities in Africa and Asia, however, as the overall market remained sluggish, therefore we are looking for other opportunities in the value chain of the Digital Entertainment Business and we have completed the necessary preparations to acquire suitable business which have significant growth potential for the Group. We shall target on new business which is correlated to our Digital Entertainment Value Chain Business, for example pay TV business.

Our *Dish Home* is continuing to develop its distribution network and recorded substantial growth during the period. Besides, we are continuing to invest in order to broaden our product portfolio and further penetrate our sales channel.

SMT has established over 29 years and become trustworthy brand which distributes quality products and offers professional services. We will continue to build our brand through various brand management strategies.

On behalf of the Board, I would like to welcome Mr. Ko Yen Hui to the Board and thank Mr. Thomas Lee and Mr. David Yip for their contribution to SMT during their term of service as our Director. The Board is pleased that our team of talented colleagues for their dedication and hard work. We look forward to the further growth of SMT under their leadership.

Hung Tsung Chin
Chairman

CHIEF EXECUTIVE OFFICER REPORT

REVIEW OF OPERATIONS

Thanks with our frontline colleagues, the Group amidst achieving an improved results in sales, total revenue of our Group for the six months ended June 30, 2016 had increased by 12.4% compared with that of six months ended June 30, 2015 as well as our gross profit margin of the Group had increased from 9.78% to 13.46% compared with the six months ended June 30, 2015.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In the first half of 2016, although the market competition was even more fierce than before and our profit margin is affected, however, the Group's media entertainment platform related products saw a turnaround in terms of revenue and profit, with 48.1% growth in revenue and 19.0% growth in segment results as compared with the six months ended June 30, 2015.

- Segment turnover of media entertainment platform related products was approximately HK$233,682,000.
- Segment results from operations was approximately HK$37,986,000.
- Segment margin 16.26%, decreased by 3.96% percentage-point.

Outlook

Although the market competition is remained fierce, therefore we are exploring new markets for our future development, for example television digitalization in India would create a great opportunity to us for our television set-top-box, one of our main products in this segment.

OTHER MULTIMEDIA PRODUCTS

In the first half of 2016, although the market competition was remain intense, however, we have enhanced our product portfolio, therefore the Group's other multimedia products achieved a good results in terms of profitability, although 2.6% dropped in revenue, however the segment results have 56.0% growth compared with the six months ended June 30, 2015.

- Segment turnover of other multimedia products was approximately HK$147,666,000.
- Segment results from operations was approximately HK$16,446,000.
- Segment margin 11.14%, increased by 4.18% percentage-point.

Outlook

We are undergoing our product portfolio enhancement and new business development, one of our major projects is the business of original design manufacturing production and distribution arrangement with a multi-national technology company of computer electronics equipment, we believe this project can achieve fruitful growth for this segment.

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

Despite the market competition is still fierce in the first half of 2016, however, we have developed a new products and launched in the market in early 2016, then the profitability of this segment was excellent, with over 5.7% growth in revenue and 212.9% growth in segment results compared with the six months ended June 30, 2015.

- Segment turnover of media entertainment platform related products was approximately HK$514,369,000.
- Segment results from operations was approximately HK$47,481,000.
- Segment margin 9.23%, increased by 6.11% percentage-point.

Outlook

Year 2016 is a fruitful year for this segment as our production of new low noise blocking downconverters ("LNB(s)") has been started in the Group's Zhongshan and Dongguan production plants. LNBs are receiving devices mounted on satellite dishes used for reception, which collect radio waves from the satellite dishes and facilitates the transmission of satellite television signals, we believe this product is a milestone of this segment.

GEOGRAPHICAL RESULTS

AFRICA

- Segment revenue of Africa was approximately HK$49,695,000, compared with the six months ended June 30, 2015 which was approximately HK$39,909,000.
- 24.52% growth in segment revenue compared with the six months ended June 30, 2015.
- Africa share 5.5% total revenue of the Group (six months ended June 30, 2015: 5.0%).

ASIA

- Segment revenue of Asia was approximately HK$168,216,000, compared with the six months ended June 30, 2015 which was approximately HK$102,302,000.
- 64.43% growth in segment revenue compared with the six months ended June 30, 2015.
- Asia share 18.8% total revenue of the Group (six months ended June 30, 2015: 12.8%).

EUROPE

- Segment revenue of Europe was approximately HK$94,336,000, compared with the six months ended June 30, 2015 which was approximately HK$108,635,000.
- 13.16% drop in segment revenue compared with the six months ended June 30, 2015.
- Europe share 10.5% total revenue of the Group (six months ended June 30, 2015: 13.6%).

MIDDLE EAST

- Segment revenue of Middle East was approximately HK$33,237,000, compared with the six months ended June 30, 2015 which was approximately HK$41,070,000.
- 19.07% drop in segment revenue compared with the six months ended June 30, 2015.
- Middle East share 3.7% total revenue of the Group (six months ended June 30, 2015: 5.2%).

NORTH AMERICA

- Segment revenue of North America was approximately HK$503,520,000, compared with the six months ended June 30, 2015 which was approximately HK$457,055,000.
- 10.17% growth in segment revenue compared with the six months ended June 30, 2015.
- North America share 56.2% total revenue of the Group (six months ended June 30, 2015: 57.3%).

SOUTH AMERICA

- Segment revenue of South America was approximately HK$46,008,000, compared with the six months ended June 30, 2015 which was approximately HK$49,648,000.
- 7.33% drop in segment revenue compared with the six months ended June 30, 2015.
- South America share 5.1% total revenue of the Group (six months ended June 30, 2015: 6.2%).

Outlook

As our business in Africa, Asia and North America Market are continued to attain good performance and share more of our Group's revenue, therefore we shall focus in these regions in future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2016

	NOTE	For six months ended June 30 2016 HK$'000 (unaudited)	2015 HK$'000 (unaudited)
Revenue	4	896,291	797,400
Cost of sales		(775,635)	(719,398)
Gross profit		120,656	78,002
Other income, gains and losses		21,065	49,128
Distribution and selling costs		(19,094)	(20,341)
Administrative and other expenses		(82,144)	(77,613)
Research and development costs		(18,790)	(21,299)
Finance costs		(8,522)	(3,677)
Profit before income tax expense		13,171	4,200
Income tax expense	5	(4,817)	(2,248)
Profit for the period	6	8,354	1,952
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		(3,368)	(10,447)
Total comprehensive income for the period		4,986	(8,495)
Profit (loss) for the period attributable to:			
- Owners of the Company		4,889	6,550
- Non-controlling interests		3,465	(4,598)
		8,354	1,952

	NOTE	For six months ended June 30 2016 HK$'000 (unaudited)	2015 HK$'000 (unaudited)
Total comprehensive income attributable to:			
Owners of the Company		1,551	(3,897)
Non-controlling interests		3,435	(4,598)
		4,986	(8,495)
		HK cents	HK cents
Earnings per share	8		
Basic		0.4	0.7
Diluted		0.4	0.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2016

	NOTE	June 30 2016 HK$'000 (unaudited)	December 31 2015 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		155,109	157,046
Deposit paid for acquisition of a subsidiary		46,306	46,306
Prepaid lease payments		5,212	5,350
Investment properties		123,018	124,241
Goodwill		8,867	8,523
Intangible assets		24,562	26,469
Interest in an associate		-	-
Loan to an associate		23,269	23,269
Amount due from an associate		13,709	14,685
Loan receivables		194,867	56,423
Deferred tax assets		1,232	2,263
Total non-current assets		596,151	464,575
Current assets			
Inventories		302,060	284,778
Trade, bills and other receivables	9	421,635	308,912
Prepaid lease payments		159	162
Amount due from an associate		52,403	53,201
Bond receivables		-	59,971
Pledged bank deposits		15,803	18,022
Bank balances and cash		49,975	93,236
		842,035	818,282
Current liabilities			
Trade, bills and other payables	10	531,538	483,438
Tax liabilities		14,512	13,402
Bank and other borrowings		321,553	348,739
Obligations under finance leases		1,849	1,840
Total current liabilities		869,452	847,419
Net current liabilities		(27,417)	(29,137)
Total assets less current liabilities		568,734	435,438

	NOTE	June 30 2016 HK$'000 (unaudited)	December 31 2015 HK$'000 (audited)
Non-current liabilities			
Bank and other borrowings		5,821	1,699
Deferred tax liabilities		40,152	40,998
Obligations under finance leases		10,116	11,036
Total non-current liabilities		56,089	53,733
Total liabilities		925,541	901,152
NET ASSETS		512,645	381,705
Capital and reserves attributable to owners of the Company			
Share capital		127,336	104,586
Reserves		325,307	242,044
Equity attributable to owners of the Company		452,643	346,630
Non-controlling interests		60,002	35,075
TOTAL EQUITY		512,645	381,705

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report. The Company and its subsidiaries (hereafter referred to as the "Group") principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

These condensed consolidated financial statements should be read in conjunction with the 2015 annual financial statements. Except as described below, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended June 30, 2016 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2015.

Going concern basis

As at June 30, 2016, the Group had net current liabilities of HK$27,417,000 (December 31, 2015: net current liabilities HK$29,137,000). In view of this circumstance, the directors of the Company have given careful consideration to the future liquidity and performance of the Group, in particular, the unutilised bank loan facilities available to the Group and placing of new shares to finance its future operations. After taking into account of financial performance of the Group for the six months ended June 30, 2016, as well as available bank facilities and future fund raising plan of the Group, the Group is expected to have sufficient liquidity to finance its operations and able to meet its financial obligations as they fall due. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the condensed consolidated financial statements of the Group on a going concern basis. The condensed consolidated financial statements do not include any adjustments that might be necessary should the Group not be able to continue as a going concern.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current interim period, the Group has applied, for the first time, all the new and revised HKFRSs issued by the HKICPA that are relevant to the Group's operations and preparation of the Group's condensed consolidated financial statements for the accounting year beginning on January 1, 2016.

HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The application of new and revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new and revised HKFRSs that have been issued but not yet effective for the financial year beginning on January 1, 2016.

4. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the executive directors of the Company, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

Specifically, the Group's operating segments under HKFRS 8 are as follows:

(i) Media entertainment platform related products

Trading and manufacturing of media entertainment platform related products
- which mainly used for satellite products equipment.

(ii) Other multimedia products

Trading and manufacturing of other multimedia products
- Components of audio and video electronic products such as cable lines.

(iii) Integration of signal system and traffic communication network

Integration of signal system and traffic communication network
- Provide installation and integration of signal system and traffic communication network.

(iv) Satellite TV equipment and antenna

Trading of satellite TV equipment and antenna.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended June 30, 2016

	Media entertainment platform related products HK$'000 (unaudited)	Other multimedia products HK$'000 (unaudited)	Integration of signal system and traffic communication network HK$'000 (unaudited)	Satellite TV equipment and antenna HK$'000 (unaudited)	Total HK$'000 (unaudited)
REVENUE					
External sales	233,682	147,666	574	514,369	896,291
RESULTS					
Segment results	37,986	16,446	(369)	47,481	101,544
Other income, gains and losses					21,083
Research and development costs					(18,790)
Administrative and other expenses					(82,144)
Finance costs					(8,522)
Profit before income tax expense					13,171

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

Six months ended June 30, 2015

	Media entertainment platform related products HK$'000 (unaudited)	Other multimedia products HK$'000 (unaudited)	Integration of signal system and traffic communication network HK$'000 (unaudited)	Satellite TV equipment and antenna HK$'000 (unaudited)	Total HK$'000 (unaudited)
REVENUE					
External sales	157,812	151,641	1,103	486,844	797,400
RESULTS					
Segment results	31,910	10,545	14	15,174	57,643
Other income, gains and losses					49,146
Research and development costs					(21,299)
Administrative and other expenses					(77,613)
Finance costs					(3,677)
Profit before income tax expense					4,200

Segment results represent profit (loss) earned or incurred by each segment without allocation of administrative and other expenses, research and development costs, other income, gains and losses (except impairment loss on trade and other receivables), and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

5. INCOME TAX EXPENSE

	For six months ended June 30	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
PRC Enterprise Income Tax	1,328	867
Jurisdictions other than the PRC and Hong Kong	2,182	160
	3,510	1,027
Deferred taxation:		
Current period	1,035	1,044
Provision for withholding tax	272	177
	1,307	1,221
	4,817	2,248

(i) PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% (six months ended June 30, 2015: 25%) in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No income tax on the profit have been provided for both periods arising in Hong Kong as the assessable profit is wholly absorbed by tax losses brought forward.

(iii) United States of America

The Group's subsidiaries in United States of America are subjected to United States Federal Income Tax at 34% and States Income Tax at 6% (six months ended June 30, 2015: 34% and 6% respectively).

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 26.3% to 30% (six months ended June 30, 2015: 26.3% to 30%).

5. INCOME TAX EXPENSE - continued

(v) Macau

As stated in the Decree Law No. 58/99/M, Chapter 2, Article 12, dated October 18, 1999, the Macau subsidiary is exempted from Macao Complementary Tax since its income is generated from business outside Macau.

(vi) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax latest in the relevant jurisdictions

6. PROFIT FOR THE PERIOD

	NOTE	For six months ended June 30 2016 HK$'000 (unaudited)	2015 HK$'000 (unaudited)
Profit for the period has been arrived at after charging/ (crediting):			
Directors’ emoluments		2,485	2,926
Other staff costs		81,258	74,108
Retirement benefits scheme contribution, excluding directors		1,673	1,762
Total employee benefit expenses		85,416	78,796
Depreciation of property, plant and equipment		11,264	13,717
Amortisation of intangible assets (note i)		2,358	4,679
Release of prepaid lease payments		33	157
Impairment loss on trade receivables (note ii)		18	18
Interest income (note ii)		(1,022)	(3,346)
Interest income from an associate (note ii)		(501)	(561)
Effective interest income on bond receivables (note ii)		(794)	(3,491)
Reversal of impairment loss on bond receivables (note ii)		-	(20,000)
Reversal of impairment loss on inventories (note i)		(1,504)	(2,138)
Loss/(gain) on disposal of property, plant and equipment (note ii)		981	(1,283)
Net foreign exchange gain (note ii)		(2,524)	(4,116)

Note i : Included in cost of sales
Note ii : Included in other income, gains and losses

7. DIVIDENDS

No dividend was paid, declared or proposed during the interim period. The directors have determined that no dividend will be paid in respect of the interim period.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	NOTE	For six months ended June 30 2016 HK$'000 (unaudited)	2015 HK$'000 (unaudited)
Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share		4,889	6,550
		Number of shares	
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share (note)		1,193,202,793	882,806,307

Note: The computation of diluted earnings per share for the six months ended June 30, 2016 and 2015 does not include the share options as the assumed exercise of these share options has an anti-dilutive effect.

9. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an aged analysis of trade and bills receivables, net of allowance for doubtful debts, presented based on the invoice date, which approximated the respective revenue recognition date, at the end of the reporting periods:

	NOTE	June 30 2016 HK$'000 (unaudited)	December 31 2015 HK$'000 (audited)
0 - 30 days		200,861	124,420
31 - 90 days		96,748	81,568
91 - 180 days		33,713	22,793
More than 180 days		29,234	20,149
		360,556	248,930
Prepayments and other receivables		61,079	59,982
Total trade, bills and other receivables		421,635	308,912

During the period, the directors reviewed the carrying amounts of certain long outstanding trade, bills and other receivables and identified an impairment loss of approximately HK$18,000 (six months ended June 30, 2015: approximately HK$18,000) which has been recognised in profit or loss.

10. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables, presented based on the invoice date at the end of the reporting periods:

	NOTE	June 30 2016 HK$'000 (unaudited)	December 31 2015 HK$'000 (audited)
0 - 30 days		233,466	210,396
31 - 90 days		110,495	116,450
91 - 360 days		64,778	47,314
More than 360 days		3,910	1,361
		412,649	375,521
Other payables		118,889	107,917
Total trade, bills and other payables		531,538	483,438

REVIEW OF FINANCIAL POSITION

The Group's profit attributable to the equity shareholders of the Company amounted to approximately HK$4.9 million, decreased by approximately 25.8% as compared to the same period of 2015 of approximately HK$6.6 million. Basic earnings per share was 0.4 HK cents per share (six months ended June 30, 2015: 0.7 HK cents).

Liquidity and financial resources

At June 30, 2016, an overall cash and cash equivalent was HK$50.0 million (December 31, 2015: HK$93.2 million). The Group's major financial resources derived from cash generated from financing activities and internal generated cash flow.

The Group's current ratio (ratio of current assets to current liabilities) was 0.97 at June 30, 2016 (December 31, 2015: 0.97).

As at June 30, 2016, the Group's total borrowings were HK$339.3 million (December 31, 2015: HK$363.3 million). The gearing ratio (total borrowings over total assets of the Group) decreased from 28.2% at December 31, 2015 to 23.6% at June 30, 2016.

Placing of Shares

On January 13, 2016, the Group had completed placing of new shares. A total of 104,500,000 placing shares had been successfully placed at the placing price of HK$0.50 per share ("Placing 1"). Details of the Placing 1 are set out in the announcement of the Company dated January 13, 2016.

The net proceeds from the Placing 1, after deducting relevant expenses incurred in relation to the Placing 1, amount to approximately HK$51.2 million which is used as general working capital of the Group and business expansion.

On June 14, 2016, the Group had completed placing of new shares. A total of 75,000,000 placing shares had been successfully placed at the placing price of HK$0.40 per share ("Placing 2"). Details of the Placing 2 are set out in the announcement of the Company dated June 14, 2016.

The net proceeds from the Placing 2, after deducting relevant expenses incurred in relation to the Placing 2, amount to approximately HK$28.8 million which is presently expected to be used for potential promotion plan of MyHD Media FZ LLC's satellite broadcasting services in the Middle-East, Mediterranean and Africa after the completion of the acquisition of additional interest in MyHD Media FZ LLC by the Company.

Subscription of Shares

On January 21, 2016, 48,000,000 shares have been successfully subscribed by the subscriber at the subscription price of HK$0.50 ("Subscription"). Details of the Subscription are set out in the announcement of the Company dated January 21, 2016.

The net proceeds from the Subscription, after deducting relevant expenses incurred in relation to the Subscription, amount to approximately HK$23.8 million which is used as general working capital of the Group and business expansion.

Charges on assets

As at June 30, 2016, the Group's general banking facilities including bank loans were secured by the following assets of the Group: (i) bank deposits of HK$15.8 million, (ii) leasehold land and buildings with a carrying value of HK$50.4 million, and (iii) investment properties of HK$123.0 million.

Foreign exchange exposure

The Group's sales and purchases were denominated mainly in US dollars and Renminbi ("RMB"). The Group was exposed to certain foreign currency exchange risk but it does not expect future currency fluctuations to cause material operation difficulties on the ground that HK dollars are pegged to US dollars and the recent pressure from appreciation of RMB was manageable. However, management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations.

Contingent liabilities

The Group did not have any significant contingent liabilities at June 30, 2016 (December 31, 2015: Nil).

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend (six months ended June 30, 2015: Nil) for the six months ended June 30, 2016.

HUMAN RESOURCES

As at June 30, 2016, SMT employed a total of 2,445 (June 30, 2015: 2,788) full-time employees. Employees are remunerated accordingly to their performance and responsibilities.

SMT offers competitive compensation and benefits to attract and retain talents, for which Annual review held in June for each year is conducted to maintain their market competitiveness, as well as to motivate employees to attain company goals and objectives.

Employee wellness also contributes to employee engagement. SMT continues our efforts in organizing various social, recreational activities for our colleagues and their family members, including corporate incentive tour to enrich their work and family lives.

SMT is also committed to employee safety and health. Regular safety reviews are performed in accordance with the statutory and industry requirements.

CORPORATE GOVERNANCE

SMT is always to maintaining high standards of corporate governance. Our Board believes that good corporate governance practices are important to promote investor confidence and protect the interest of our shareholders. We establish various corporate policies, which together form the basis of our governance practices. We respect the laws, rules and regulations of each jurisdiction in which we operate, and we always ensure a healthy and safe working environment for our colleagues, which is our paramount concern. Besides a good development, we also contribute to the sustainable development of SMT, with particular focus on our accountability to shareholders and stakeholders.

SMT has applied the principles and complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules on the Stock Exchange throughout the six months ended June 30, 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by Directors. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code throughout the Period.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended June 30, 2016, including the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that such unaudited condensed consolidated financial statements complies with the applicable accounting standards and disclosure requirements of Listing Rules.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

A copy of this announcement will be found on SMT's website (www.sandmartin.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Interim Report 2016 will be made available on the respective websites of SMT and the Stock Exchange in due course.

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

Hong Kong, August 29, 2016

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. Han Chien Shan, Mr. Wu Chia Ming and Mr. Ko Yen Hui.

** For identification purpose only*