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LERADO GROUP (HOLDING) COMPANY LIMITED

(隆成集團(控股)有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1225)

VOLUNTARY ANNOUNCEMENT

DISPOSAL OF 30% INTEREST IN WEBLINK TECHNOLOGY LIMITED

On 12 November 2014, Sodium Zone, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, Sandmartin, the Guarantor and the Second Vendor pursuant to which each of Sodium Zone and the Second Vendor agreed to sell to the Purchaser the First Sale Shares and the Second Sale Shares respectively, which will be satisfied by Sandmartin allotting and issuing the First Consideration Shares to Sodium Zone and the Second Consideration Shares to the Second Vendor.

The First Sale Shares represent 30% of the issued share capital in Weblink Technology. Upon Completion, the Group will no longer have any interest in Weblink Technology.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is below 5%, the Disposal does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information.

THE DISPOSAL

On 12 November 2014, Sodium Zone, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement in respect of the Disposal.

The Sale and Purchase Agreement

Date

12 November 2014

Parties

- (A) The Purchaser;
- (B) Sandmartin;
- (C) Sodium Zone;

- (d) the Second Vendor; and
- (e) the Guarantor

The Purchaser is an investment holding company wholly-owned by Sandmartin. Sandmartin is a company listed on the main board of the Stock Exchange and is principally engaged in design, manufacturing and trading of media entertainment platform related products and connectors, cables, and assorted electronic accessories. Each of the Second Vendor and the Guarantor is an individual. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser, Sandmartin, the Second Vendor and the Guarantor is not a connected person of the Company.

Subject matter

Sodium Zone will sell and the Purchaser will buy the First Sale Shares for HK\$5,099,000; the Second Vendor, who owns 19% of the issued share capital of Weblink Technology, will also sell his interest in Weblink Technology to the Purchaser for HK\$3,230,000.

The First Sale Shares represent 30% interest in the issued share capital of Weblink Technology, while the Second Sale Shares represent 19% interest in the issued share capital of Weblink Technology.

Consideration

Sandmartin will allot and issue the Consideration Shares to Sodium Zone and the Second Vendor in settling the consideration for the Purchaser's acquisition of the First Sale Shares and the Second Sale Shares.

The consideration of HK\$5,099,000 for the sale of the First Sale Shares was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement and was with reference to net asset value of Weblink Technology as at 30 April 2014.

The First Consideration Shares

The First Consideration Shares will be issued at HK\$0.58 per Sandmartin Shares. The Issue Price was determined after arm's length negotiations and was set at the closing price of the Sandmartin Shares as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement, and represents the prevailing market price of the Sandmartin Shares.

The First Consideration Shares represent approximately 1.1% of the existing issued share capital of Sandmartin and approximately 1.0% of the issued share capital of Sandmartin as enlarged by the issue of the Consideration Shares. The Consideration Shares will not be subject to any lock-up and could be sold at any time at the discretion of the Company.

Put Option

The Guarantor has granted the Put Option to Sodium Zone and the Second Vendor under which each of Sodium Zone and the Second Vendor was granted the right to independently or jointly issue a notice (the "Put Notice") to the Guarantor at any time within 14 business days

after the expiry of the Relevant Period where the Guarantor will be obliged to purchase the relevant Consideration Shares at the Issue Price.

If either Sodium Zone or the Second Vendor disposes of their Consideration Shares during the Relevant Period, any premium over the Issue Price gained from such disposal will be payable to the Guarantor.

The Put Option is put in place to protect the interests of Sodium Zone and the Second Vendor and will insure them from any potential decline in the price of the Sandmartin Shares during the Relevant Period.

Information on Weblink Technology

Weblink Technology is incorporated in the British Virgin Islands and is held as to 51% by the Purchaser, as to 30% by Sodium Zone and as to 19% by the Second Vendor. It is managed and operated by Sandmartin and it, together with its two wholly-owned subsidiaries, FLT Hong Kong Technology Limited and 珠海保稅區隆宇光電科技有限公司 (Fibrelink Technology Limited), are principally engaged in the manufacturing and trading of optical fibre products.

The financial results of Weblink Technology for the two financial years immediately prior to the date of the Sale and Purchase Agreement are set out below:

	For the years ending 30 June	
	2013	2014
	<i>HK\$ '000</i>	<i>HK '000</i>
Loss before tax	4,416	1,473
Loss after tax	4,416	1,473

The net asset value of Weblink Technology as at 30 June 2014 was HK\$16,582,000.

Reasons for the Disposal

Since the disposal of the juvenile business of the Group, the Group has been reviewing its operation and developing a strategy based on the current medical business and plastic toy business of the Group.

Weblink Technology is only 30% owned by the Group and is managed and operated by Sandmartin. Since the Group was not in control of Weblink Technology nor was it involved in its management and operation, the Group does not consider that it is in the interest of the Company to maintain this investment.

Upon Completion, the Group will no longer have any interest in Weblink Technology and its subsidiaries. The Group will realise a gain on disposal of approximately HK\$296,000, which will be used as general working capital of the Group.

The Directors (including the independent non-executive Directors) consider that the Disposal is conducted under normal commercial terms, the terms of which are fair and reasonable. The Disposal allows the Company to exchange its investment in Weblink Technology, which is

loss-making, for shares in Sandmartin. The Directors (including the independent non-executive Directors) consider the Disposal is in the interests of the Company and the Shareholders as a whole.

General

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is below 5%, the Disposal does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information.

Definitions

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Company”	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Disposal;
“Consideration Shares”	the 14,360,479 Sandmartin Shares to be allotted and issued by Sandmartin to satisfy the acquisition of the First Sale Shares and the Second Sale Shares;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Disposal”	the sale of the First Sale Shares by Sodium Zone to the Purchaser pursuant to the Sale and Purchase Agreement;
“Director(s)”	the director(s) of the Company
“First Consideration Shares”	8,792,130 Sandmartin Shares to be allotted and issued by Sandmartin to Sodium Zone to satisfy the consideration for the First Sale Shares;
“First Sale Shares”	60 shares in the issued share capital of Weblink Technology, representing 30% of the issued share capital of Weblink Technology;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. WANG Hsiao-ming;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the

	People’s Republic of China;
“Issue Price”	HK\$0.58;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macao Special Administration Region;
“Purchaser”	Top Dragon Development Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of Sandmartin and is the 51% owner of Weblink Technology;
“Put Option”	an option granted by the Guarantor to Sodium Zone and the Second Vendor under which Sodium Zone and the Second Vendor may by notice to the Guarantor to require the Guarantor to purchase the Consideration Shares at the Issue Price;
“Relevant Period”	the period commencing from the date of Completion and ending on the first anniversary thereof (both dates inclusive);
“Sale and Purchase Agreement”	the agreement dated 12 November 2014 between the Purchaser, Sandmartin, Sodium Zone, Mr. Lin and Mr. Huang;
“Sandmartin”	Sandmartin International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“Sandmartin Shares”	ordinary shares in the issued share capital of Sandmartin;
“Second Consideration Shares”	5,568,349 Sandmartin Shares to be allotted and issued by Sandmartin to the Second Vendor to satisfy the consideration for the Second Sale Shares;
“Second Sale Shares”	38 shares in the issued share capital of Weblink Technology, representing 19% of the issued share capital of Weblink Technology;
“Second Vendor”	Mr. LIN Shi Chi, the vendor of the Second Sale Shares;
“Shareholder(s)”	shareholder(s) of the Company;
“Sodium Zone”	Sodium Zone Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Weblink Technology” Weblink Technology Limited, a company incorporated in the British Virgin Islands; and

“%” per cent.

By Order of the Board
Lerado Group (Holding) Company Limited
HUANG Ying Yuan
Chairman

12 November 2014

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Huang Ying Yuan, Mr. Huang Shen Kai and Mr. Chen Chun Chieh as Executive Directors, and Mr. Lim Pat Wah Patrick, Mr. Huang Zhi Wei and Mr. Mak Kwong Yiu as Independent Non-executive Directors.

** For identification purposes only*