TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED
中 慧 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1143)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on a preliminary review of the Group's latest unaudited management accounts and the information currently available to the Board, the Group is expected to record a substantial decrease in profit for the year ending 31 December 2012 as compared to the profit recorded for the year ended 31 December 2011.

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the announcements of the Company dated 3 August 2012, 13 August 2012 and the interim report of the Company for the period ended 30 June 2012. The board of directors (the "**Board**") of Telefield International (Holdings) Limited (the "**Company**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Company and its subsidiaries (the "**Group**") is expected to record a substantial decrease in profit for the year ending 31 December 2012 as compared to the profit recorded for the year ended 31 December 2011.

The expected decrease in the net profit of the Group was mainly attributable to, among others,

(i) the global economic downturn and the adverse overseas market conditions;

(ii) the Group's operating loss in new business areas including, (a) the electronic gaming accessories subsidiary company in the USA, which had not yet fully expanded its distribution network; (b) the China sales network including setting up of a sales centre in Shanghai and the development of an e-commerce platform being in the inception stage; and (c) a new operation in India, which has not commenced its manufacturing plan. These projects will likely bring in operating loss to the Group for the year ending 31 December 2012; and

(iii) an increase in the operating expenses and labour cost of the Group in both electronics manufacturing services segment and distribution business segment.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the latest unaudited management accounts of the Group and the information currently available which has not been audited or reviewed by the Company's auditors. Actual results of the Group may be different from what is disclosed herein. Shareholders and investors should read carefully the annual results announcement of the Company for the year ending 31 December 2012 which is expected to be published before end of March 2013.

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

By order of the Board
Telefield International (Holdings) Limited
Cheng Han Ngok Steve
Chairman

Hong Kong, 21 December 2012

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Cheng Han Ngok Steve, Mr. Poon Ka Lee Barry, Mr. Ng Kim Yuen, Ms. Fok Pui Yin and Mr. Lee Kai Bon; and three independent non-executive directors, namely, Mr. Au-Yang Cheong Yan Peter, Dr. Kwan Pun Fong Vincent and Dr. Xue Quan.