**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)**

# PROPOSALS FOR (1) SHARE SUBDIVISION (2) CHANGE IN BOARD LOT SIZE AND (3) INCREASE IN AUTHORISED SHARE CAPITAL

## SHARE SUBDIVISION

The Board proposes that each of the issued and unissued Shares of HK$0.01 each in the share capital of the Company be subdivided into ten Subdivided Shares of HK$0.001 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in the section headed "Conditions of Share Subdivision" below.

## CHANGE IN BOARD LOT SIZE

The Board proposes that subject to and upon the Share Subdivision becoming effective, the board lot size will be changed from 2,000 existing Shares to 4,000 Subdivided Shares after the Share Subdivision becoming effective.

## INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK$100,000,000 divided into 10,000,000,000 Shares to HK$1,500,000,000 divided into 150,000,000,000 Shares by the creation of additional 140,000,000,000 Shares, which will rank pari passu with all existing Shares.

## GENERAL

A circular containing, among other things, details of the Share Subdivision, Change in Board Lot Size and the increase in authorised share capital together with the notice of the EGM and related proxy form, will be despatched to Shareholders on or around Monday, 14 March 2016.

## SHARE SUBDIVISION

### Basis of Share Subdivision

The Board proposes that each of the existing issued and unissued Shares of HK$0.01 each in the share capital of the Company will be subdivided into ten Subdivided Shares of HK$0.001 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the section headed "Conditions of Share Subdivision" below. As at the date of this announcement, the authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 Shares of HK$0.01 each, of which 495,531,140 Shares are in issue and fully paid or credited as fully paid. There are no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the date of this announcement.

Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK$100,000,000 divided into 100,000,000,000 Subdivided Shares of HK$0.001 each, of which 4,955,311,400 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are repurchased or issued prior to the Share Subdivision becoming effective.

### Conditions of Share Subdivision

The completion of Share Subdivision is conditional upon: (a) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Subdivision; and (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares. Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the day next following the passing of the ordinary resolution as specified therein, which is expected to take place on Friday, 1 April 2016. Application will be made to the Stock Exchange in respect of such approval for the listing of, and permission to deal in, the Subdivided Shares.

### Effect of the Share Subdivision

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu with each other in all respects and the Share Subdivision will not result in any change in the rights of the Shareholders.

### Exchange of share certificates

Upon the Share Subdivision becoming effective, the Shareholders may, during the period from Friday, 1 April 2016 to Wednesday, 11 May 2016 (both dates inclusive), submit their existing certificates for the Shares to the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge. Thereafter, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. Existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Subdivided Shares at any time at the expense of the Shareholders. The new share certificates will be orange in colour so as to be distinguished from the existing share certificates which are blue in colour.

## CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot size of 2,000 Shares. The Board proposes that subject to the Share Subdivision becoming effective, the board lot size will be changed from 2,000 Shares to 4,000 Subdivided Shares. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders.

Based on the closing price of HK$8.40 per Share (equivalent to HK$0.84 per Subdivided Share) as at the date of this announcement, the value of each board lot of 4,000 Subdivided Shares, assuming the Share Subdivision and the Change in Board Lot Size had already become effective, would be HK$3,360.

Dealing in the Subdivided Shares on the Stock Exchange in the new board lot size of 4,000 Subdivided Shares is expected to commence at 9:00 a.m. on Monday, 18 April 2016.

## INCREASE IN AUTHORISED SHARE CAPITAL

The current authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each. As at the date of this announcement, 495,531,140 Shares are in issue and no options granted under the share option scheme of the Company are outstanding.

In order to provide the Company with flexibility for fund raising by allotting and issuing new Shares in the future as and when appropriate for future investment opportunities and other corporate purposes, the Board of Directors of the Company proposed to increase the authorised share capital of the Company to HK$1,500,000,000 by the creations of additional 140,000,000,000 Shares, all of which will rank pari passu with all exiting Shares.

Immediately after the completing of the increase in authorised share capital of the Company and assumption no Shares are issued or repurchased from the date of this announcement up to the EGM, the authorised share capital of the Company will be HK$1,500,000,000 divided into 150,000,000,000 shares, with 495,531,140 Shares in issue and 149,504,468,860 Shares remaining unissued.

The proposed increase in authorised share capital of the Company is subject to the approval by the Shareholders by way of poll of an ordinary resolution at the EGM.

## REASONS FOR THE SHARE SUBDIVISION, CHANGE IN BOARD LOT SIZE AND INCREASE IN AUTHORISED SHARE CAPITAL

Upon the proposed Share Subdivision becoming effective, the par value of each Share will decrease and the total number of Shares in issue will increase. The Share Subdivision will result in a downward adjustment to the trading price of the Shares. Based on the closing price of HK$8.40 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value per board lot of 2,000 Shares is HK$16,800. The estimated market value per board lot of 4,000 Subdivided Shares will theoretically be reduced to HK$3,360 immediately upon the Share Subdivision becoming effective.

The Board believes that the Share Subdivision will improve liquidity in the Company's Subdivided Shares. Accordingly, the Board is of view that the Share Subdivision will enable the Company to attract more investors and broaden its shareholders' base.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision, Change in Board Lot Size and increase in authorised share capital is set out below:

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| Despatch of the circular in relation to the Share Subdivision, Change in Board Lot Size and the increase in authorised share capital together with the EGM notice and proxy form | On or around Monday, 14 March 2016 |
| Latest time for lodging the proxy form for the EGM (not less than 48 hours prior to time of the EGM) | 10:00 a.m. on Tuesday, 29 March 2016 |
| Expected date and time of the EGM to approve the Share Subdivision and the increase in authorised share capital | 10:00 a.m. on Thursday, 31 March 2016 |
| Announcement of poll results of the EGM | Thursday, 31 March 2016 |

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision and increase in authorised share capital, which are included in this announcement.

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| Effective date of the Share Subdivision and increase in authorised share capital | Friday, 1 April 2016 |
| Free exchange of existing share certificates for new share certificates for the Subdivided Share commences | Friday, 1 April 2016 |
| Dealing in Subdivided Shares commences | 9:00 a.m. on Friday, 1 April 2016 |
| Original counter for trading in Shares in board lots of 2,000 Shares temporarily closes | 9:00 a.m. on Friday, 1 April 2016 |
| Temporary counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in the form of existing share certificates) opens | 9:00 a.m. on Friday, 1 April 2016 |
| Original counter for trading in Subdivided Shares (in board lots of 4,000 Subdivided Shares) re-opens | 9:00 a.m. on Monday, 18 April 2016 |
| Parallel trading in existing Shares and Subdivided Shares (in form of existing share certificates and new share certificates) begins | 9:00 a.m. on Monday, 18 April 2016 |
| Temporary counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in form of existing share certificates) closes | 4:00 p.m. on Monday, 9 May 2016 |
| Parallel trading in Shares and Subdivided Shares (in form of existing share certificates and new share certificates) ends | 4:00 p.m. on Monday, 9 May 2016 |
| Free exchange of existing share certificates for new share certificates ends | Wednesday, 11 May 2016 |

Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Share Subdivision, Change in Board Lot Size and increase in authorised share capital as well as the associated trading arrangements listed above.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

## GENERAL

A circular containing, among other things, details of the Share Subdivision, Change in Board Lot Size and the increase in authorised share capital together with the notice of the EGM and related proxy form, will be despatched to Shareholders on or around Monday, 14 March 2016.

## DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

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| "Board" | the board of Directors |
| "Change in Board Lot Size" | the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 existing Shares to 4,000 Subdivided Shares after the Share Subdivision becoming effective |
| "Company" | Telefield International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Stock Exchange |
| "Director(s)" | the director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Share Subdivision and the increase in authorised share capital |
| "HK$" | Hong Kong dollar, the lawful currency of Hong Kong |
| "Hong Kong" | Hong Kong Special Administrative Region of the People's Republic of China |
| "Listing Committee" | has the meaning ascribed thereto under the Listing Rules |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Share(s)" | ordinary share(s) of HK$0.01 each in the issued share capital of the Company |
| "Share Subdivision" | the proposed subdivision of each of the existing issued and unissued Shares into ten Subdivided Shares |
| "Shareholder(s)" | holder(s) of the Share(s) |

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|---|---|
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subdivided Share(s)" | ordinary share(s) of HK$0.001 each in the share capital of the Company upon the Share Subdivision becoming effective |

By Order of the Board
**Telefield International (Holdings) Limited**
**Gong Shaoxiang**
*Chairman and Executive Director*

Hong Kong, 29 February, 2016

*As at the date of this announcement, the Board comprises Mr. Gong Shaoxiang (Chairman) and Mr. Lee Chi Hwa Joshua as executive Directors, Mr. Cao Yuyun as non-executive Director and Mr. Bao Jinqiao, Mr. Wong Chun Hung and Mr. Leung Pok Man as independent non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*