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**If you have sold or transferred** all your shares in Telefield International (Holdings) Limited, you should at once hand this circular to the purchaser or the transferee, or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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**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**  
**(3) INCREASE IN AUTHORISED SHARE CAPITAL**  
**AND**  
**(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM of Telefield International (Holdings) Limited to be held at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 31 March 2016 at 11:00 a.m., at which the above proposals will be considered, is set out on pages 11 to 12 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

14 March 2016

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## DEFINITION

*In this circular, the following terms and expressions shall have the following meanings, unless the context otherwise requires:*

“Announcement”	the announcement issued by the Company dated 29 February 2016
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business throughout their normal business hours (other than a Saturday, Sunday or public holiday)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	11 March, 2016, being the latest practicable date prior to the despatch of this circular for ascertaining certain information contained therein
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITION

“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) or Subdivided Share(s), as the case may be
“Share Subdivision”	the proposed subdivision of each of the existing issued and unissued Share into ten Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company upon the Share Subdivision becoming effective

<b>EXPECTED TIMETABLE</b>
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The expected timetable relating to the Share Subdivision, the Change in Board Lot Size, the increase in authorised share capital and the associated trading arrangements are as follows:

<b>Event</b>	<b>Time and date</b>
Latest time for lodging the proxy form for the EGM (not less than 48 hours prior to time of the EGM) .....	11:00 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 .....	11:00 a.m. on Thursday, 31 March 2016
Announcement of poll results of the EGM .....	Thursday, 31 March 2016
<p>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 circular.</p>	
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

<b>EXPECTED TIMETABLE</b>
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<b>Event</b>	<b>Time and date</b>
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



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**中 慧 國 際 控 股 有 限 公 司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1143)**

*Executive Directors:*

Mr. Gong Shaoxiang

Mr. Lee Chi Hwa Joshua

*Non-Executive Director:*

Mr. Cao Yuyun

*Independent Non-executive Directors:*

Mr. Bao Jinqiao

Mr. Wong Chun Hung

Mr. Leung Pok Man

*Registered office:*

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Units 609–610

6/F, Bio-Informatics Centre

No. 2 Science Park West Avenue

Hong Kong Science Park

Shatin, New Territories

Hong Kong

14 March 2016

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR  
(1) SHARE SUBDIVISION  
(2) CHANGE IN BOARD LOT SIZE  
(3) INCREASE IN AUTHORISED SHARE CAPITAL  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement made by the Company in relation to, *inter alia*, the proposed Share Subdivision and increase in authorised share capital.

The purpose of this circular is to provide you (i) further details of the proposed Share Subdivision, the Change in Board Lot Size and the increase in authorised share capital to enable you to make an informed decision on whether to vote for or against the resolutions relating to the Share Subdivision and the increase in authorised share capital at the EGM; and (ii) the notice of the EGM.

## LETTER FROM THE BOARD

### PROPOSED SHARE SUBDIVISION

#### Basis of the 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 Latest Practicable Date, 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 Latest Practicable Date.

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.

### LISTING AND DEALING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares arising from the Share Subdivision.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between

## **LETTER FROM THE BOARD**

participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on which listing or permission to deal in is being or is proposed to be sought on any other stock exchanges other than the Stock Exchange.

### **CHANGE IN BOARD LOT SIZE**

As at the Latest Practicable Date, 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\$8.66 per Share (equivalent to approximately HK\$0.87 per Subdivided Share) as at the Latest Practicable Date, 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 approximately HK\$3,480.

As the purpose of the proposed Share Subdivision and the Change in Board Lot Size is to enhance the liquidity in the trading of the Shares by lowering the trading price of the Shares and the market value per board lot of Shares, the Company will not proceed with the proposed Change in Board Lot Size if the Shareholders do not approve the Share Subdivision at the EGM.

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.

### **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.

## **LETTER FROM THE BOARD**

### **TRADING ARRANGEMENT**

Subject to the Share Subdivision being effective, dealings in the Subdivided Shares are expected to commence on Friday, 1 April 2016. Parallel trading in the Shares and Subdivided Shares (in the form of existing share certificates and new share certificates) will be operated from Monday, 18 April 2016 to Monday, 9 May 2016 (both days inclusive). Full details of the expected timetable and trading arrangement of the Subdivided Shares are set out on pages 3 to 4 of this circular.

### **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 Latest Practicable Date, 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 proposed to increase the authorised share capital of the Company to HK\$1,500,000,000 by the creation of additional 140,000,000,000 Shares of HK\$0.01 each, all of which will rank pari passu with all existing 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 Latest Practicable Date 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. The Board believes that the proposed increase in authorised share capital of the Company is in the interests of the Company and the Shareholders as a whole.

### **REASONS FOR THE PROPOSED 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\$8.66 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value per board lot of 2,000 Shares is HK\$17,320. The estimated market value per board lot of 4,000 Subdivided Shares will theoretically be reduced to approximately HK\$3,480 immediately upon the Share Subdivision becoming effective.

The Board considers that the Share Subdivision and Change in Board Lot Size are both fundamental in enhancing the liquidity of the Shares. The Board has considered other different ratios for the subdivision of Shares but believes that the Share Subdivision is more appropriate as no additional odd lots is expected to be created upon the Share Subdivision taking effect. It

## LETTER FROM THE BOARD

is the opinion of the Board that the Share Subdivision and the Change in Board Lot Size together are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The lower trading price of the Shares and the lower entry level may attract different kind and level of potential investors to invest in the Company which is beneficial to both the Company and the Shareholders.

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.

### **EGM AND PROXY ARRANGEMENT**

The EGM will be held at 11:00 a.m. on Thursday, 31 March 2016 at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong for the purpose of considering and, if thought fit, approving the proposed Share Subdivision and increase in authorised share capital. The notice convening the EGM is set out on pages 11 to 12 of this circular.

As no Shareholders have a material interest in the Share Subdivision and increase in authorised share capital, which is different from that of the other Shareholders, no Shareholders will be required to abstain from voting on the resolution to be proposed at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the implementation of the Share Subdivision, Change in Board Lot Size together with the increase in authorised share capital is in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Subdivision and the increase in authorised share capital.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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



**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)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Telefield International (Holdings) Limited (the “**Company**”) will be held at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 31 March 2016 at 11:00 a.m. for the following purposes:

**ORDINARY RESOLUTION**

It is resolved as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Subdivided Shares (as hereafter defined) the Share Subdivision (as hereafter defined) be approved in the following manner:

- (a) each of the issued and unissued ordinary shares of par value of HK\$0.01 each (the “**Shares**”) in the share capital of the Company be and is hereby subdivided into ten ordinary shares of par value of HK\$0.001 each (the “**Subdivided Shares**”), with effect from the business day immediately following the date on which this resolution is passed, being a day on which the Stock Exchange is open for business of dealing in securities (the “**Share Subdivision**”);
- (b) the authorised share capital of the Company be increased from HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each to HK\$1,500,000,000 divided into 150,000,000,000 Shares of HK\$0.01 each by the creation of additional 140,000,000,000 Shares, which will rank *pari passu* with all existing shares (the “**Increase in Authorised Share Capital**”); and

## NOTICE OF THE EGM

- (c) any director of the Company (“**Director**”) be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements whether under common seal of the Company or otherwise and to do all such acts or things deemed by the Director in his/her absolute discretion to be incidental to, ancillary to or in connection with the matters contemplated in and/or for implementation of the Share Subdivision and the Increase in Authorised Share Capital including but not limited to, to cancel any existing share certificates and to issue new share certificates in respect of the Subdivided Shares to holders of the existing shares of the Company pursuant to the Share Subdivision (“**to approve any Director to execute the relevant documents in respect of the Share Subdivision and the Increase in Authorised Share Capital**”).

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

Hong Kong, 14 March 2016

*Notes:*

- (a) Any Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and to vote instead of him/her. A proxy need not be a Shareholder of the Company. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote in his/her stead.
- (b) Where there are joint registered holders of any share, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- (c) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
- (d) Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
- (e) Pursuant to the Listing Rules, any voting on the resolutions at the EGM will be taken by poll.

*As at the date of this notice, 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.*