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This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

KPM HOLDING LIMITED

吉輝控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8027)

PROPOSED SHARE SUBDIVISION

The Directors proposed to implement the Share Subdivision on the basis that every one (1) issued and unissued Share of par value of HK$0.01 each will be subdivided into eight (8) Subdivided Shares of par value of HK$0.00125 each.

The Share Subdivision is subject to (i) the Shareholders' approval at the EGM and (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the Subdivided Shares to be in issue. A circular containing further information on the Share Subdivision and a notice to convene the EGM will be despatched to the Shareholders as soon as possible.

SHARE SUBDIVISION

The Directors proposed to implement the Share Subdivision on the basis that every one (1) issued and unissued Share of par value of HK$0.01 each will be subdivided into eight (8) Subdivided Shares of par value of HK$0.00125 each. No fractional Subdivided Shares will arise from the proposed Share Subdivision.

EFFECTS OF THE SHARE SUBDIVISION

As at the date of this announcement, the authorized share capital of the Company is HK$50,000,000 divided into 5,000,000,000 Shares of par value of HK$0.01 each, of which 400,000,000 Shares are in issue and fully paid. After the Share Subdivision becoming effective, the authorized share capital of the Company will be HK$50,000,000 divided into 40,000,000,000 Subdivided Shares of par value of HK$0.00125 each, of which 3,200,000,000 Subdivided Shares will have been issued and fully paid, assuming that no further Shares will be issued or repurchased from the date of this announcement and up to the date of the Share Subdivision becoming effective.

The Subdivided Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum and articles of association. Other than the expenses to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon the following:

(1) the passing of the necessary resolutions by the Shareholders to approve the Share Subdivision at the EGM; and

(2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subdivided Shares to be in issue.

Listing Application

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 to be in issue upon the Share Subdivision taking effect.

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision becoming effective, Shareholders may during the specified period submit their existing share certificates for Shares (which are in Blue colour) to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for Subdivided Shares with new nominal value of HK$0.00125 each. Thereafter, existing certificates for Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate cancelled or each new share certificate for Subdivided Shares issued, whichever number of certificates cancelled/issued is higher. Nevertheless, existing certificates for Shares will continue to be good evidence of legal title and may be exchanged for certificates for Subdivided Shares at any time.

The new share certificates for the Subdivided Shares will be issued in Orange colour to distinguish from the existing share certificates for the Shares which are in Blue colour.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Subdivision and the associated trading arrangements:

Despatch of circular with notice of EGM and form of proxy for the EGM	On or before Monday, 1 August 2016
Latest time for lodging proxy form for the purpose of the EGM	11:00 a.m. on Tuesday, 16 August 2016
Date and time of EGM	11:00 a.m. on Thursday, 18 August 2016
Announcement on results of EGM	Thursday, 18 August 2016

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision:

Effective date for the Share Subdivision	Friday, 19 August 2016
Dealings in the subdivided shares commences	9:00 a.m. on Friday, 19 August 2016
First day for free exchange of existing share certificates for new share certificates for the subdivided shares	Friday, 19 August 2016
Original counter for trading in Existing Shares in board lot of 5,000 shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 19 August 2016
Temporary counter for trading in Subdivided Shares in board lot of 40,000 shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 19 August 2016
Original counter for trading in Subdivided Shares in board lot of 5,000 shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 2 September 2016
Parallel trading in Subdivided Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Friday, 2 September 2016
Temporary counter for trading in Subdivided Shares in board lot of 40,000 shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 23 September 2016
Parallel trading in Subdivided Shares in the form of new share certificates and existing share certificates ends	4:00 p.m. on Friday, 23 September 2016
Last day for free exchange of existing share certificates for new share certificates	4:00 p.m. on Tuesday, 27 September 2016

Note: All times and dates in this announcement refer to Hong Kong local times and dates.

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

REASONS FOR THE SHARE SUBDIVISION

It is expected that the Share Subdivision will enhance the liquidity of the Shares as the value per Subdivided Share and the value per board lot of the Subdivided Shares will be reduced. Based on the closing price per Share of HK$5.01 on 21 July 2016, the theoretical price per Subdivided Share will be HK$0.6263 and the value per board lot of Subdivided Shares will be HK$3,131.50. Accordingly, the Board is of the view that the Share Subdivision are in the interest of the Company and the Shareholders as a whole.

EGM AND CIRCULAR

The Share Subdivision is subject to the Shareholders' approval at the EGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Subdivision at the EGM. A circular containing further details of the Share Subdivision and the notice of the EGM will be dispatched to the Shareholders as soon as possible.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

"Board"	the board of Directors of the Company
"Company"	KPM Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to approve, among others, the Share Subdivision
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Share(s)"	ordinary share(s) of par value of HK$0.01 each in the share capital of the Company before the Share Subdivision becoming effective

"Share Subdivision"	the proposed subdivision of every one (1) issued and unissued Share into eight (8) Subdivided Shares
"Shareholders"	holders of the Shares or Subdivided Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subdivided Shares"	ordinary share(s) of par value of HK$0.00125 each in the share capital of the Company after the Share Subdivision becoming effective

By Order of the Board of
KPM Holding Limited
Tan Thiam Kiat Kelvin
Chairman

Hong Kong, 22 July 2016

As at the date of this announcement, the executive Directors are Mr. Tan Thiam Kiat Kelvin, Mr. Tan Kwang Hwee Peter and Ms. Liu Qian and the independent non-executive Directors are Mr. Oh Eng Bin (Hu Rongming), Mr. Tan Kiang Hua, and Mdm. Kow Yuen-Ting (Gao Yun Ting).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company's website at www.kpmholding.com.

* *For identification purpose only*