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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to inform the Shareholders and potential investors of the Company 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 six months ended 30 June 2013 as compared to the profit for the six months ended 30 June 2012.

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

This announcement is made by Telefield International (Holdings) Limited (中慧國際控股有限公司) (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the "**SFO**") and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company 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 six months ended 30 June 2013 as compared to the profit for the six months ended 30 June 2012.

The expected decrease in the net profit of the Group was mainly attributable to, among others, decline in both the revenue and margin contribution from the Electronics Manufacturing Services segment. The decline in margin contribution was due to the increasing manufacturing costs in the People's Republic of China which in turn was caused by:-

- a. rise in labour cost triggered by labour shortage & compliance with the minimum wage requirements; and
- b. appreciation of Renminbi in the first half of 2013.

As the Group is still finalizing its unaudited consolidated results for the six months ended 30 June 2013, the information contained in this announcement is only based on the Company's preliminary review of Group's latest unaudited management accounts and the information currently available to the Board and is not based on any figure or information that has been audited or reviewed by the Company's auditors and/or Audit Committee. Moreover, the Board is not in a position to quantify precisely the relevant financial effect at this stage. Further details of the Group's performance will be disclosed when the Group announces its interim results for the six months ended 30 June 2013. If future estimation differs materially from that set out in this profit warning announcement, the Company will provide updates on a timely basis. Despite the above, the Board considers that the Group's overall financial position is still healthy and the Board remains positive on the long term prospect of the Group.

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

Hong Kong, 18 July 2013

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.