

八方电信国际控股有限公司

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

THE PROPOSED CONSOLIDATION OF EVERY FIVE 5 ORDINARY SHARES OF PAR VALUE US\$0.02 EACH IN THE ISSUED AND AUTHORISED SHARE CAPITAL OF THE COMPANY (INCLUDING TREASURY SHARES) AS AT A BOOKS CLOSURE DATE TO BE DETERMINED BY THE DIRECTORS, INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.10, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”).

1. INTRODUCTION

The board of directors (the “**Board**”) of 8Telecom International Holdings Co., Ltd. (the “**Company**”) wishes to announce that the Company proposes to undertake a consolidation of every five (5) existing issued ordinary shares of par value US\$0.02 each in the issued and authorised share capital of the Company (including treasury shares) as at a books closure date (to be determined by the Directors) (the “**Books Closure Date**”) into one (1) ordinary share of par value US\$0.10 (the “**Consolidated Shares**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

The Proposed Share Consolidation shall take effect on the market day immediately following the Books Closure Date (the “**Share Consolidation Effective Date**”), being the date on which the register of members of the Company and the depository register maintained by the Central Depository (Pte) Limited (“**CDP**”) in respect of book-entry securities (the “**Depository Register**”) will be updated to reflect the number of Consolidated Shares held by each shareholder of the Company (the “**Shareholder**”) and Depositor respectively based on the number of existing Shares held by them, or credited in their securities accounts with CDP, as the case may be, as at the Books Closure Date.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 General

The Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every five (5) existing Shares into one (1) Consolidated Share. Under the Proposed Share Consolidation, every five (5) existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and sold by the Company and the net proceeds retained by the Company or the fractional Shares will be otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

As at the date of this announcement, the Company has an issued and paid up share capital of US\$9,578,085 comprising 463,154,250 ordinary shares (excluding 15,750,000 treasury shares) of par value US\$0.02 each, which are listed on the Mainboard of the Singapore

Exchange Securities Trading Limited (the “**SGX-ST**”). On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of US\$9,578,085 comprising 92,630,850 Consolidated Shares (subject to rounding) (excluding 3,150,000 treasury shares on a post-consolidated basis) (collectively, the “**Aggregate Consolidated Shares**”).

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders’ funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale for the Proposed Share Consolidation

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the Monetary Authority of Singapore had introduced, with effect from March 2015, a minimum trading price of S\$0.20 for Mainboard-listed stocks as a continuing listing requirement (the “**MTP Requirement**”).

Pursuant to the MTP Requirement, issuers who are unable to record a 6-month volume-weighted average price of its Shares of S\$0.20 or above at each of the quarterly review dates, which will first commence in March 2016, will be placed on the watch-list. Affected issuers who fail to take remedial actions during the cure period of 36 months may be delisted from the Mainboard of the SGX-ST.

Accordingly, the Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders in facilitating compliance with the MTP Requirement.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*,

- (a) the approval of Shareholders by way of an ordinary resolution at the 2015 annual general meeting of the Company (the “**AGM**”) to be convened to approve, *inter alia*, the Proposed Share Consolidation; and
- (b) the approval in-principle from the SGX-ST for the listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for up to 95,780,850 Aggregate Consolidated Shares on the Mainboard of the SGX-

ST (the “**Approval In-principle**”). An announcement will be made in due course upon receipt of the Approval In-principle from the SGX-ST.

An appendix to the notice of the AGM, containing, *inter alia*, further information on the Proposed Share Consolidation, will be despatched to Shareholders in due course.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

4. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their existing Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

5. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

BY ORDER OF THE BOARD

Ye Tianyun
Executive Chairman and Chief Executive Officer
25 March 2015