



**PROPOSED CONSOLIDATION OF EVERY FOUR (4) ORDINARY SHARES WITH A PAR VALUE OF US\$0.025 EACH IN THE AUTHORISED AND ISSUED SHARE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE WITH A PAR VALUE OF US\$0.10 EACH**

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**1. INTRODUCTION**

The board of directors (“Directors”) of Bund Center Investment Ltd (“BCI” or the “Company”) wishes to announce that the Company is proposing to undertake a share consolidation exercise (the “Proposed Share Consolidation”) to consolidate every four (4) ordinary shares with a par value of US\$0.025 each (“Shares”) in the authorised and issued share capital of the Company into one (1) ordinary share with a par value of US\$0.10 each (“Consolidated Share”).

Pursuant to the Proposed Share Consolidation, as at the record date to be determined by the Directors (“Record Date”), every four (4) Shares held by each shareholder of the Company (“Shareholder”) will be consolidated into one (1) Consolidated Share.

**2. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION**

With effect from 2 March 2015, the Singapore Exchange Securities Trading Limited (“SGX-ST”) implemented a minimum trading price requirement of S\$0.20 per share for issuers listed on the Mainboard of the SGX-ST (the “MTP Requirement”) as a continuing listing requirement.

A one-time transition period of twelve (12) months ie. from 2 March 2015 to 1 March 2016, was given to affected issuers to undertake corporate actions to meet the MTP Requirement. A further six (6)-month extension until 1 September 2016 was given by SGX-ST for those companies which had completed a share consolidation by 1 March 2016. Issuers unable to meet the MTP Requirement after the relevant transition period(s) will be placed on the SGX-ST watch-list, and will be subsequently delisted if they do not meet the MTP Requirement after a thirty-six (36)-month cure period.

The six (6)-month volume weighted average price (“VWAP”) of the Shares as at 23 February 2016 was S\$0.175. *Source: <http://www.sgx.com/>*

In light of the above, the Company proposes to undertake the Proposed Share Consolidation in order to comply 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.**

### **3. DETAILS OF THE PROPOSED SHARE CONSOLIDATION**

Under the Proposed Share Consolidation, every four (4) Shares held as at the Record Date will be consolidated into one (1) Consolidated Share.

For Shareholders who have a resulting fraction arising from the Proposed Share Consolidation, the Company may, in its absolute discretion, round up only that fraction by transferring one (1) treasury share from the Company's share buy-back account maintained at The Central Depository (Pte) Limited ("CDP"), in exchange for the acquisition of such a fraction (the "Rounding Consolidation").

In any event, all fractional entitlements arising from the Proposed Share Consolidation will be dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (but without limitation) (i) aggregating any fractional entitlements to the Consolidated Shares and selling the same and retaining any net proceeds for the benefit of the Company and (ii) purchasing and cancelling the same or holding the same as treasury shares.

The Consolidated Shares in issue will rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares.

As at the date of this announcement, the Company has an authorised share capital of US\$500,000,000 divided into 20,000,000,000 Shares, and an issued and paid-up share capital of US\$76,048,986 comprising 3,041,959,440 Shares, of which 6,887,000 Shares are held as treasury shares. Assuming that there are no new Shares issued by the Company up to the Record Date and assuming the Company does not re-purchase any more of its Shares pursuant to its Share buy-back programme, if the Proposed Share Consolidation is approved and following its completion, the Company will have an authorised share capital of US\$500,000,000 divided into 5,000,000,000 Consolidated Shares, and an issued and paid-up share capital of US\$76,048,986 comprising approximately 760,489,860 Consolidated Shares, of which up to approximately 1,721,750 Consolidated Shares will be held as treasury shares.

Shareholders who hold physical share certificates for any existing Shares may wish to deposit the same, together with the duly executed instruments of transfer in favour of CDP, with CDP and have their existing Shares credited into their Securities Accounts with CDP before the announcement of the Record Date, as CDP will only accept for deposit new share certificates in respect of Consolidated Shares after the Record Date.

The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to the Rounding Consolidation, if exercised.

Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

#### **4. APPROVALS AND CONDITIONS**

The Proposed Share Consolidation is subject to:

- (i) the approval of Shareholders by ordinary resolution of the Proposed Share Consolidation at a special general meeting ("SGM") of the Company to be convened; and
- (ii) the approval of the SGX-ST for the listing of and quotation for the Consolidated Shares on the SGX-ST.

An application will be made by the Company to the SGX-ST for approval for the listing of and quotation for the Consolidated Shares on the SGX-ST. An announcement on the outcome of the application will be made in due course.

#### **5. CIRCULAR TO SHAREHOLDERS**

Subject to receipt of the approval-in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation, and the notice of SGM, will be despatched to Shareholders in due course.

#### **6. CAUTION IN TRADING**

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors of the Company are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

**BUND CENTER INVESTMENT LTD**

Frankle (Djafar) Widjaja

Director

24 February 2016