



BAKER TECHNOLOGY LIMITED
(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

PROPOSED CONSOLIDATION OF EVERY FIVE (5) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Baker Technology Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing ordinary shares (“**Existing Shares**”) in the capital of the Company (“**Shares**”) into one (1) ordinary share (“**Consolidated Share**”).
- 1.2 Pursuant to the Proposed Share Consolidation, each shareholder of the Company (“**Shareholder**”) will receive one (1) Consolidated Share for every five (5) Existing Shares held as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), fractional entitlements to be disregarded.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 Under the Proposed Share Consolidation, every five (5) Existing Shares registered in the name or standing to the credit of the securities account of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share.
- 2.2 Each Shareholder will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. **Shareholders who hold less than five (5) Existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of five (5) Existing Shares prior to the Books Closure Date.**

- 2.4 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$108,788,054 comprising 1,014,390,262 Shares. Assuming that no new Shares are issued by the Company up to the Books Closure Date and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$108,788,054 comprising approximately 202,878,052 Consolidated Shares.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1 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 shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement.
- 3.2 The review of whether an issuer has satisfied the minimum trading price requirement will be based on the volume weighted average price of the shares of the issuer for the six months preceding the date of review. Issuers will be placed on the watch-list if they are unable to meet the minimum trading price requirement on 1 March 2016 or any of the subsequent quarterly reviews by the SGX-ST. Issuers which are unable to take steps to raise its minimum trading price and exit the watch-list will be delisted after a 36-month cure period.
- 3.3 On 2 February 2016, the SGX-ST released an announcement in relation to, *inter alia*, the SGX-ST granting issuers, which have experienced (for the first time) a dip in their six-month volume weighted average price to below S\$0.20 due to extreme market volatility in January 2016, a six-month extension before they are reviewed for compliance with the minimum trading price requirement. Accordingly, the six-month volume weighted average price of the shares of these issuers will only be assessed on 1 September 2016 instead of 1 March 2016. The Company was notified by the SGX-ST on 15 February 2016 that the Company will have up to 1 September 2016, instead of 1 March 2016, to comply with the minimum trading price requirement.
- 3.4 The Directors are recommending the Proposed Share Consolidation to Shareholders so that the Company can meet the SGX-ST minimum trading price requirement of S\$0.20 per share for issuers listed on the Mainboard of the SGX-ST and, if applicable, satisfy the criteria to exit the watch-list.
- 3.5 **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.**

4. APPROVALS AND CONDITIONS

- 4.1 The Proposed Share Consolidation is subject to, *inter alia*, the following:-
- (a) the approval of Shareholders for the Proposed Share Consolidation at an extraordinary general meeting ("**EGM**"); and
 - (b) the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST.
- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares pursuant to the Proposed Share Consolidation on the Mainboard of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

5. DESPATCH OF CIRCULAR

- 5.1 A circular containing, *inter alia*, notice of the EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

5.2 Meanwhile, 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

Nga Ko Nie
Company Secretary
25 February 2016