

LUXKING GROUP HOLDINGS LIMITED
(Incorporated in Bermuda)
(Company Registration Number 36159)

THE PROPOSED CONSOLIDATION OF EVERY TWENTY (20) ORDINARY SHARES WITH A PAR VALUE OF HK\$0.50 EACH IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED SHARE WITH A PAR VALUE OF HK\$10.00 IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Luxking Group Holdings Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation of every twenty (20) ordinary shares with a par value of HK\$0.50 each in the authorised and issued capital of the Company (the “**Shares**”) into one (1) consolidated share with a par value of HK\$10.00 in the authorised and issued capital of the Company (the “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 Under the Proposed Share Consolidation, the Company will consolidate every twenty (20) Shares into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2 Shareholders of the Company (the “**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 a books closure date to be determined by the Directors (the “**Books Closure Date**”), will be rounded down to the nearest whole Consolidated Share and any fractions thereof 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 and on such terms as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) aggregating and selling the same and retaining the net proceeds for the benefit of the Company, and (ii) purchasing and cancelling the same or holding the same as treasury shares. Shareholders should note that where fractions of shares are dealt with in the manner set out above, they will not be entitled to any proceeds derived from any such dealings or to any interest or share of revenue or other benefit arising therefrom.
- 2.3 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.
- 2.4 As at the date of this announcement, the Company has an authorised share capital of HK\$500,000,000 divided into 1,000,000,000 Shares, and an issued share capital of HK\$126,500,000 divided into 253,000,000 Shares. There are no convertible securities outstanding, and the Company does not hold any Shares in treasury.

- 2.5 On the assumption that there will be no new Shares issued by the Company on or before the Books Closure Date, following the completion of the Proposed Share Consolidation, the Company will have an authorised share capital of HK\$500,000,000 divided into 50,000,000 Consolidated Shares, and an issued share capital of HK\$126,500,000 divided into 12,650,000 Consolidated Shares.
- 2.6 The Proposed Share Consolidation will have no impact on the amount of the authorised and issued capital of the Company. The Proposed Share Consolidation will 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 are not required to make any payment to the Company in respect of the Proposed Share Consolidation.
- 2.7 Shareholders who hold physical share certificates for existing Shares may wish to deposit the same, together with duly executed instruments of transfer in favour of the Central Depository (Pte) Limited ("**CDP**"), with CDP and have their existing Shares credited to their securities accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept for deposit new share certificates in respect of Consolidated Shares after the Books Closure Date.
- 2.8 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the special general meeting to be convened by the Company (the "**SGM**"), Shareholders' entitlements to the Consolidated Shares (fractional entitlements to be disregarded) will be determined based on their shareholdings in the Company as at the Books Closure Date.
- 2.9 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 rounding.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1 With effect from 2 March 2015, the Monetary Authority of Singapore and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") implemented a minimum trading price requirement of S\$0.20 per share (the "**MTP**") for shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement. Compliance with the MTP requirement is assessed based on the volume weighted average price ("**VWAP**") of an issuer's shares for the 6-month period prior to the date of review.
- 3.2 A one-time transition period of 12 months from 2 March 2015 (i.e. 1 March 2016) will be given to affected issuers to undertake corporate actions to meet the MTP requirement, and such issuers will only be placed on the watch-list if they are unable to meet the MTP requirement after this 12-month transition period. 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.

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as the Proposed Share Consolidation would facilitate the Company's ability to satisfy the MTP requirement.

- 3.3 For the past six (6) calendar months prior to the date of this announcement, the Shares have been trading in a range between S\$0.015 and S\$0.045, which is below the MTP. The highest and lowest closing market prices and the volume of Shares traded on the SGX-ST for each of the past six (6) calendar months, and for the period from 1 September 2015 to 14 September 2015, are as follows:

	Lowest Price (S\$)	Highest Price (S\$)	Volume of traded Shares ('000)
March 2015	0.015	0.020	280,000
April 2015	0.017	0.030	1,392,000
May 2015	0.022	0.033	1,431,000
June 2015	0.028	0.045	1,796,000
July 2015	0.025	0.038	2,378,000
August 2015	0.021	0.032	1,244,000
1 September 2015 to 14 September 2015	-	-	-

Source: SGX-ST

For illustrative purposes only, the VWAP of the Shares for the six (6) months prior to the date of this announcement is S\$0.03, which fails to meet the MTP requirement.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the date of this announcement, the theoretical adjusted 6-month VWAP based on the Consolidated Shares would be S\$0.60.

- 3.4 **Shareholders should note, however, 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

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

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST; and
- (b) the approval of the Shareholders by way of ordinary resolution at the SGM.

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

5. DESPATCH OF CIRCULAR

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

In the meantime, 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 should seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

6. 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

Cheng Lisa
Company Secretary
14 September 2015