

Potential acquisition update

BGD Corporation Ltd (ASX: **BGD**) (**BGD** or the **Company**) is currently considering 5 potential acquisitions (**Potential Transaction**) pursuant to exclusivity arrangements. The Company is currently completing due diligence to determine whether to proceed with the transactions. The terms of the Potential Transaction are still confidential and incomplete and neither the Company nor the entities the subject of the Potential Transaction are required to proceed with the Potential Transaction or would otherwise be in a position to disclose their existence. Accordingly, the Company is not in a position to identify the businesses the subject of the Potential Transaction at this time. It is the Company's current intention that any transaction be funded using a combination of debt and equity.

The Company's objective to pursue further acquisitions and investment opportunities in the Allied Health and Medical (**AHM**) Industry has been made clear in a number of ASX announcements in the previous 6 months, as well as in its Replacement Prospectus dated 13 January 2016 (**Prospectus**). Since the Company was re-admitted to the official list of the ASX on 12 April 2016, it has been actively seeking acquisition opportunities in the AHM industry.

The targets of the Potential Transaction collectively provide a comprehensive preventative care range of services from general practice thru to allied health services including physiotherapy, exercise physiology, dietetics, 24 hour live in care, nursing, and personal care. If the Potential Transaction is completed there will be a significant change in the scale of the Company's activities. The Company's focus on the AHM Industry will however remain the same.

On 7 June 2016 the Company made a submission to the ASX for in-principle advice on how it was likely to apply the ASX Listing Rules if the Company proceeds with the Potential Transaction. On 22 June 2016 the ASX confirmed that if the Company proceeds with the Potential Transaction:

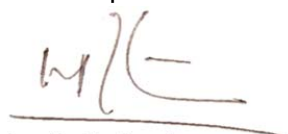
- shareholder approval will be required pursuant to Listing Rule 11.1.2;
- the Company will need to re-comply with Chapters 1 and 2 of the Listing Rules; and
- the Company will be suspended from the time of the announcement to the market regarding the Potential Transaction and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules.

The Company is also intending to change its name and, if the Potential Transaction proceeds, will ask shareholders to approve its change of name and the Potential Transaction at the same time.

The Company cautions investors that it is not a party to any legally binding acquisition agreements, and that any agreement is subject to the satisfactory completion of due diligence investigations by the Company and the execution of a formal acquisition agreement.

Yours sincerely

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