

CIRCULAR DATED 30 JULY 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Swing Media Technology Group Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Special General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Circular.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



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SWING MEDIA TECHNOLOGY GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration No: 30254)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED CONSOLIDATION OF EVERY TWENTY (20) ORDINARY SHARES OF PAR VALUE US\$0.01 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.20 EACH IN THE CAPITAL OF THE COMPANY (“CONSOLIDATED SHARE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (“PROPOSED SHARE CONSOLIDATION”); AND**
- (B) THE PROPOSED BONUS ISSUE OF UP TO 3,845,624 NEW ORDINARY SHARES OF PAR VALUE US\$0.20 EACH IN THE CAPITAL OF THE COMPANY (“BONUS SHARES”), FOLLOWING THE COMPLETION OF THE PROPOSED SHARE CONSOLIDATION, ON THE BASIS OF ONE (1) BONUS SHARE CREDITED AS FULLY PAID FOR EVERY TEN (10) CONSOLIDATED SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BONUS ISSUE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (“PROPOSED BONUS ISSUE”).**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	15 August 2015 at 9.30 a.m.
Date and time of Special General Meeting	:	17 August 2015 at 9.30 a.m.
Place of Special General Meeting	:	TKP Conference Centre 55 Market Street #03-01 Conference Room 2 Singapore 048941

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

- “Bermuda Act” : The Companies Act 1981 of Bermuda, as amended, modified, supplemented from time to time
- “Board” : The board of Directors as at the date of this Circular
- “Bond Subscription Agreement” : The bond subscription agreement dated 24 April 2015 entered into between the Company and the several investors by which the Company agreed to issue the Bonds and the investors agreed to subscribe for the Bonds on the terms and conditions set out therein
- “Bonds” : All or any or the convertible bonds of up to an aggregate of S\$6,000,000 in principal amount issued pursuant to the Bond Subscription Agreement and the Bonds Conditions
- “Bonds Conditions” : The terms and conditions of the Bonds set out in Schedule 2 to the Bond Subscription Agreement as the same may from time to time be amended, supplemented or modified in accordance with the provisions of the Bond Subscription Agreement and any reference to a specific Bonds Condition shall be construed accordingly
- “Bonus Issue Books Closure Date” : The time and date, to be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Bonus Shares under the Proposed Bonus Issue
- “Bonus Shares” : Up to 3,845,624 new Shares of par value US\$0.20 each to be issued by the Company pursuant to the Proposed Bonus Issue
- “Bye-laws” : The bye-laws of the Company
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 30 July 2015
- “Companies Act” : The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
- “Company” : Swing Media Technology Group Limited
- “Consolidated Shares” : Ordinary shares of par value US\$0.20 each in the capital of the Company following completion of the Proposed Share Consolidation and “**Consolidated Share**” shall be construed accordingly
- “Directors” : The directors of the Company as at the date of this Circular
- “Effective Trading Date” : Has the meaning ascribed to it in Paragraph 2.3.5 of this Circular
- “EPS” : Earnings per Share
- “Existing Shares” : Has the meaning ascribed to it in Paragraph 2.1.1 of this Circular
- “FY” : Financial year ended or ending 31 March, as the case may be

DEFINITIONS

“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	15 July 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NTA”	:	Net tangible assets
“Proposed Bonus Issue”	:	The proposed bonus issue of up to 3,845,624 Bonus Shares, on the basis of one (1) Bonus Share to be credited as fully paid for every ten (10) Consolidated Shares held by Shareholders as at the Bonus Issue Books Closure Date, fractional entitlements to be disregarded
“Proposed Share Consolidation”	:	The proposed consolidation of every twenty (20) Shares of par value US\$0.01 each held by Shareholders as at the Share Consolidation Books Closure Date to be determined, into one (1) Consolidated Share, fractional entitlements to be disregarded
“Proxy Form”	:	The proxy form in respect of the SGM
“Register of Members”	:	Register of members of the Company
“Securities Account”	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
“SGM”	:	The special general meeting of the Company to be held on 17 August 2015 at 9.30 a.m. at TKP Conference Centre, 55 Market Street #03-01, Conference Room 2, Singapore 048941, notice of which is set out on pages 22 to 24 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Consolidation Books Closure Date”	:	The time and date, to be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
“Share Transfer Agent”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shareholders”	:	The registered holders of Shares
“Shares”	:	Ordinary shares in the capital of the Company
“subsidiary” or “subsidiaries”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Substantial Shareholder”	:	A person who has an interest in voting shares in the Company and the total votes attached to which is not less than five per cent. of the total votes attached to all the voting shares in the Company

DEFINITIONS

Currencies and Units

“HK\$” and “HK cents”	:	Hong Kong dollars and cents respectively, the lawful currency of the Hong Kong Special Administrative Region
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“US\$” and “US cents”	:	United States dollars and cents respectively, the lawful currency of the United States of America
“%” or “per cent.”	:	Percentage or per centum

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meaning ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Bermuda Act, Companies Act, Listing Manual or any statutory modification thereof and used in this Circular but not defined herein shall have the same meaning assigned to it under the Bermuda Act, Companies Act, Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

SWING MEDIA TECHNOLOGY GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration Number: 30254)

Directors:

Hui Yan Sui William (*Executive Director/Chairman*)
Hui Yan Moon (*Executive Director/Chief Executive Officer*)
Chan Hon Chung Johnny (*Executive Director/Chief Financial Officer/
Joint Company Secretary*)
Yuen Shu Tong (*Independent Non-Executive Director*)
Lau Yiu Nam Eric (*Lead Independent Non-Executive Director*)
Yu Yeung Hoi Stephen (*Independent Non-Executive Director*)
Lim Kok Hui (*Independent Non-Executive Director*)
Wong Heng Hwai (*Independent Non-Executive Director*)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

30 July 2015

To: The Shareholders of Swing Media Technology Group Limited

Dear Sir / Madam,

- (A) **THE PROPOSED CONSOLIDATION OF EVERY TWENTY (20) ORDINARY SHARES OF PAR VALUE US\$0.01 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.20 EACH IN THE CAPITAL OF THE COMPANY (“CONSOLIDATED SHARE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (“PROPOSED SHARE CONSOLIDATION”); AND**
- (B) **THE PROPOSED BONUS ISSUE OF UP TO 3,845,624 NEW ORDINARY SHARES OF PAR VALUE US\$0.20 EACH IN THE CAPITAL OF THE COMPANY (“BONUS SHARES”), FOLLOWING THE COMPLETION OF THE PROPOSED SHARE CONSOLIDATION, ON THE BASIS OF ONE (1) BONUS SHARE CREDITED AS FULLY PAID FOR EVERY TEN (10) CONSOLIDATED SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BONUS ISSUE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (“PROPOSED BONUS ISSUE”).**

1. INTRODUCTION

- 1.1 The Directors propose to convene a SGM to seek Shareholders' approval for the following:-
- (i) Proposed Share Consolidation; and
 - (iii) Proposed Bonus Issue.
- 1.2 The purpose of this Circular is to explain the rationale for, and provide Shareholders with the relevant information relating to the aforesaid proposals to be tabled at the SGM, and to seek Shareholders' approval for the ordinary resolutions to be tabled at the SGM, notice of which is set out on pages 22 to 24 of this Circular.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.
- 1.4 **Shareholders should note that the passing of the ordinary resolution in respect of the Proposed Bonus Issue is conditional on the passing of the ordinary resolution in respect of the Proposed Share Consolidation.** Rule 838 of the Listing Manual requires an issuer to satisfy the SGX-ST that its daily weighted average price, adjusted for, *inter alia*, the capitalisation issue, will not be less than S\$0.50. The SGX-ST may take into account an issuer's adjusted price for

LETTER TO SHAREHOLDERS

the month preceding the application date. For the six months period between 1 December 2014 and 28 May 2015, prior to the Company releasing the announcement on the Proposed Share Consolidation on 29 May 2015, the six-month volume weighted average price of each Share for trades done on the Mainboard of the SGX-ST is S\$0.054. Accordingly, the Company has to complete the Proposed Share Consolidation first in order to satisfy the requirement under Rule 838 of the Listing Manual.

- 1.5 Shareholders who wish to qualify for the Proposed Bonus Issue should hold at least two hundred (200) Existing Shares as at the Share Consolidation Books Closure Date and ten (10) Consolidated Shares as at the Bonus Issue Books Closure Date. Shareholders who hold less than two hundred (200) Existing Shares as at the Share Consolidation Books Closure Date will hold less than ten (10) Consolidated Shares after the Proposed Share Consolidation. Such Shareholders will not meet the minimum criteria to qualify for any Bonus Share. Shareholders who wish to qualify for the Proposed Bonus Issue are advised to purchase additional Shares so as to increase the number of Shares held to at least two hundred (200) Existing Shares prior to the Share Consolidation Books Closure Date.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 Introduction

2.1.1 The Company announced on 29 May 2015 that the Company is proposing, *inter alia*, to undertake a share consolidation exercise to consolidate every twenty (20) issued and unissued Shares in the capital of the Company of par value US\$0.01 each (“**Existing Shares**”) into one (1) Consolidated Share as at the Share Consolidation Books Closure Date, fractional entitlements to be disregarded.

2.1.2 Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the SGM, Shareholders’ holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Share Consolidation Books Closure Date. After the Share Consolidation Books Closure Date, every twenty (20) 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 Share Consolidation Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

2.1.3 Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

2.1.4 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 Share Consolidation 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 but not limited to aggregating all or any of the fractional Consolidated Shares and selling the aggregated fractions of the Consolidated Shares and/or purchasing by the Company of any or all of the fractional Consolidated Shares (and, if thought fit, cancelling such fractional Consolidated Shares) in such manner and on such terms as the Directors may think fit for the benefit of the Company. Affected Shareholders and Depositors will not be paid in respect of any fractional entitlements disregarded. **Shareholders who hold less than twenty (20) Existing Shares as at the Share Consolidation Books Closure Date will not be entitled to any Consolidated Share 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 twenty (20) Existing Shares prior to the Share Consolidation Books Closure Date.**

LETTER TO SHAREHOLDERS

- 2.1.5 With effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares.
- 2.1.6 As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$6,696,037.49 (approximately HK\$52,186,000) comprising 669,603,749 Shares of par value US\$0.01 each. Assuming that no new Shares are issued by the Company up to the Share Consolidation Books Closure Date and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, following the completion of the Proposed Share Consolidation, prior to the issue of Bonus Shares pursuant to the Proposed Bonus Issue, the Company will have an authorised share capital of US\$240,000,000 divided into 1,200,000,000 Consolidated Shares, and an issued and paid-up share capital of US\$6,696,037.49 (approximately HK\$52,186,000) comprising 33,480,187.45 Consolidated Shares of par value US\$0.20 each (which number will be rounded after fractional shares are dealt with).
- 2.1.7 The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share 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.
- 2.1.8 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.
- 2.1.9 Pursuant to Bye-law 4(b) of the Bye-laws, the approval of Shareholders by way of an ordinary resolution is sought for the Proposed Share Consolidation.

2.2 Rationale

- 2.2.1 With effect from 2 March 2015, the 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.
- 2.2.2 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 new requirement, and such issuers will only be placed on the watch-list if they are unable to meet the minimum trading price 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.
- 2.2.3 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 continuing listing requirement imposed by the SGX-ST for issuers listed on the Mainboard of the SGX-ST to have a minimum trading price per share of S\$0.20.

LETTER TO SHAREHOLDERS

2.2.4 For the six-month period between 1 December 2014 and 28 May 2015, prior to the Company releasing the announcement on the Proposed Share Consolidation on 29 May 2015, the absolute price of the Shares had traded in a range of between S\$0.044 and S\$0.060. The relevant data, along with the transacted volume of the Shares for each month are as follows:-

	Highest Price ⁽¹⁾ (S\$)	Lowest Price ⁽²⁾ (S\$)	Volume of traded Shares ⁽³⁾ (’000)
December 2014	0.057	0.052	27,360
January 2015	0.060	0.054	50,729.8
February 2015	0.059	0.053	43,855.5
March 2015	0.054	0.044	19,469.9
April 2015	0.058	0.048	38,885.3
1 to 28 May 2015	0.053	0.049	7,582.1

Source: Bloomberg

Notes:-

- (1) The highest price was based on the highest closing price for the Shares in a particular month.
- (2) The lowest price was based on the lowest closing price for the Shares in a particular month.
- (3) The volume of traded Shares was based on the total volume of the Shares traded in a particular month.

2.2.5 For the six months period between 1 December 2014 and 28 May 2015, prior to the Company releasing the announcement on the Proposed Share Consolidation on 29 May 2015, the six-month volume weighted average price of each Share for trades done on the Mainboard of the SGX-ST is S\$0.054. Upon completion of the Proposed Share Consolidation, prior to the issue of the Bonus Shares pursuant to the Proposed Bonus Issue, the theoretical share price of each Consolidated Share will be S\$1.08 which complies with the minimum trading price requirement.

2.2.6 As at the Latest Practicable Date, the closing market price of the Shares which were traded on the SGX-ST is S\$0.046. Upon completion of the Proposed Share Consolidation, prior to the issue of the Bonus Shares pursuant to the Proposed Bonus Issue, the theoretical share price of each Consolidated Share will be S\$0.92 which complies with the minimum trading price requirement.

2.2.7 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 Conditions for the Proposed Share Consolidation

2.3.1 Pursuant to Bye-law 4(b) of the Bye-laws, the implementation of the Proposed Share Consolidation is subject to Shareholders’ approval by way of an ordinary resolution at the SGM.

2.3.2 The Proposed Share Consolidation is subject to, *inter alia*, the following:-

- (a) the approval of Shareholders for the Proposed Share Consolidation at the SGM; 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.

LETTER TO SHAREHOLDERS

2.3.3 On 15 July 2015, the Company announced that it had obtained the in-principle approval of the SGX-ST for, *inter alia*, the dealing in, listing of and quotation for up to 33,480,187 Consolidated Shares, subject to the following conditions:-

- (a) approval of Shareholders for the Proposed Share Consolidation at the SGM to be convened; and
- (b) compliance with the listing requirements of the SGX-ST.

2.3.4 The in-principle approval of the SGX-ST for the dealing in, listing of and quotation for up to 33,480,187 Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

2.3.5 An announcement will be made by the Company to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares (the “**Effective Trading Date**”) as well as the Share Consolidation Books Closure Date in due course.

2.3.6 Shareholders should note that whilst the Board is seeking Shareholders’ approval for the Proposed Share Consolidation, the Directors may decide not to proceed with the Proposed Share Consolidation if the Directors are of the view that, after taking into account all relevant factors, it is not beneficial to the Company and its Shareholders to do so. In such a case, an announcement will be made by the Company to notify Shareholders of the reasons why the Directors have decided not to proceed with the Proposed Share Consolidation.

2.4 Updating of Register of Members and Depository Register

If Shareholders at the SGM approve the Proposed Share Consolidation, the Shareholders’ and Depositors’ entitlements of the Consolidated Shares will be determined on the Share Consolidation Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders (or Depositors, as the case may be) based on their shareholdings in the Company as at the Share Consolidation Books Closure Date and the Shares will begin trading in board lots of 100 Consolidated Shares at 9.00 a.m. on the Effective Trading Date.

2.4.1 *Deposit of Share Certificates with CDP*

Shareholders who hold physical share certificates for the Existing Shares in their own names (“**Old Share Certificates**”) and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Share Consolidation Books Closure Date.

After the Share Consolidation Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares (“**New Share Certificates**”). Shareholders who wish to deposit their share certificates with CDP after the Share Consolidation Books Closure Date must first deliver their Old Share Certificates to the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for cancellation and issuance of New Share Certificates in replacement thereof as described below. Upon receipt of the New Share Certificates in their own names, Shareholders may then proceed to deposit these New Share Certificates in their own names with CDP.

LETTER TO SHAREHOLDERS

2.4.2 *Issue of New Share Certificates*

Shareholders who have deposited their Old Share Certificates with CDP at least 12 Market Days prior to the Share Consolidation Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, as soon as possible after they have been notified of the Share Consolidation Books Closure Date for cancellation and exchange for New Share Certificates, and preferably, not later than five Market Days after the Share Consolidation Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Company's Singapore Share Transfer Agent upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within 10 Market Days from the Share Consolidation Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Company's Singapore Share Transfer Agent or CDP in accordance with the provisions set out above.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Company's Singapore Share Transfer Agent for cancellation.

Shareholders should notify the Company's Singapore Share Transfer Agent if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

Shareholders shall deliver their respective Old Share Certificates to the Company's Singapore Share Transfer Agent or CDP in accordance with the provisions set out above, only after the Company's announcement of the Share Consolidation Books Closure Date.

2.4.3 *Share Certificates Not Valid for Settlement of Trades on the Mainboard of the SGX-ST*

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in the Shares on the Mainboard of the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, their Old Share Certificates will continue to be accepted by the Company's Singapore Share Transfer Agent for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The Old Share Certificates will not be valid for delivery for trades done on the Mainboard of the SGX-ST although they will continue to be *prima facie* evidence of legal title.

2.5 **Trading Arrangement for the Shares and Odd Lots**

2.5.1 *Trading Arrangements for the Shares*

Subject to Shareholders' approval of the Proposed Share Consolidation at the SGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, twenty (20) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

LETTER TO SHAREHOLDERS

2.5.2 Trading Arrangements for Odd Lots of Consolidated Shares

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Depositors may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Depositors who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one Consolidated Share. As odd lots of Consolidated Shares can be traded on the unit share market, no separate arrangements will be made for the trading of such odd lots.

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 but not limited to aggregating all or any of the fractional Consolidated Shares and selling the aggregated fractions of the Consolidated Shares and/or purchasing by the Company of any or all of the fractional Consolidated Shares (and if thought fit, cancelling such fractional Consolidated Shares) in such manner and on such terms as the Directors may think fit for the benefit of the Company. Affected Shareholders and Depositors will not be paid in respect of any fractional entitlements disregarded.

2.6 Adjustments to Share Options

2.6.1 As at the Latest Practicable Date, 8,612,000 share options (“**Options**”) vested by the Company pursuant to the Swing Employee Share Option Scheme (“**Swing ESOS**”) remain unexercised. Pursuant to the rules of the Swing ESOS, the Remuneration Committee of the Company has determined the following:-

- (a) the number of unexercised Options will be adjusted on the basis that twenty (20) Options will be consolidated into one (1) option (“**Adjusted Option**”); and
- (b) the exercise price of each Option will be adjusted (“**Adjusted Exercise Price**”) as follows:-

Date of Grant	Expiry Date	Exercise Price	Adjusted Exercise Price
25 May 2006	25 May 2016	S\$0.350	S\$7.00
26 May 2008	26 May 2018	S\$0.400	S\$8.00
26 May 2008	26 May 2018	S\$0.325	S\$6.50
26 May 2011	26 May 2021	S\$0.175	S\$3.50
26 May 2011	26 May 2021	S\$0.160	S\$3.20

2.6.2 The auditors of the Company have confirmed in writing that, in their opinion, the above adjustment is fair and reasonable.

2.7 Adjustments to Bonds

2.7.1 The Company had on 24 April 2015 entered into the Bond Subscription Agreement with several investors (“**Investors**”). Pursuant to the terms and conditions of the Bond Subscription Agreement, the Company had agreed to issue, and the Investors agreed severally to subscribe for their respective proportion of the unsecured 6.0% convertible bonds with an aggregate principal amount of S\$6,000,000 (“**Bonds**”).

2.7.2 As at the Latest Practicable Date, the Bonds totalling S\$6,000,000 in principal amount remain unconverted.

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2.7.3 Pursuant to Schedule 2 to the Bond Subscription Agreement (“**Bonds Conditions**”), the Board has subjected the Bonds to the adjustment mechanism as provided in Condition 6.3.1 of the Bonds Conditions, and determined that the conversion price of the Bonds will be adjusted from S\$0.066 to S\$1.32 upon completion of the Proposed Share Consolidation. The new conversion price upon completion of the Proposed Share Consolidation of S\$1.32 was obtained by multiplying the initial conversion price of S\$0.066 by the share consolidation ratio of 20.

2.8 Financial Effects

For illustration purposes only and based on the audited consolidated financial statements of the Company for FY2015, the financial effects of the Proposed Share Consolidation on the Group are set out below.

2.8.1 Assumptions

For the purpose of this Paragraph 2.8, the following assumptions apply:-

- (a) The pro forma financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Group after the completion of the Proposed Share Consolidation. The pro forma financial effects have been computed based on the audited consolidated financial statements;
- (b) The number of Shares for the financial effects relating to the share capital of the Group, NTA per Share and EPS are based on 669,603,749 Shares of par value US\$0.01 each as at 31 March 2015, and the number of Shares after the Proposed Share Consolidation do not take into account non-material adjustments after fractional shares are dealt with;
- (c) For the purposes of computing the effect of the Proposed Share Consolidation on the NTA per Share, it is assumed that the Proposed Share Consolidation had been completed on 31 March 2015; and
- (d) For the purposes of computing the effect of the Proposed Share Consolidation on the EPS, it is assumed that the Proposed Share Consolidation had been completed on 1 April 2014.

2.8.2 Share Capital

	As at 31 March 2015	After the Proposed Share Consolidation	After the Proposed Share Consolidation and exercise of all the Adjusted Options and conversion of the outstanding Bonds
Issued Share capital (HK\$'000)	52,186	52,186	59,607
Issued Share capital (Number of Shares)	669,603,749	33,480,187	38,456,241

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2.8.3 NTA

	As at 31 March 2015	After the Proposed Share Consolidation	After the Proposed Share Consolidation and exercise of all the Adjusted Options and conversion of the outstanding Bonds
NTA (HK\$'000)	1,361,393	1,361,393	1,405,584
NTA per Share (HK cents)	203.31	4,066.26	3,655.02

2.8.4 EPS

	As at 31 March 2015	After the Proposed Share Consolidation	After the Proposed Share Consolidation and exercise of all the Adjusted Options and conversion of the outstanding Bonds
Earnings attributable to Shareholders (HK\$'000)	66,762	66,762	66,762
Weighted average number of Shares for basic EPS	669,603,749	33,480,187	38,456,241
Weighted average number of Shares for diluted EPS	669,603,749	33,480,187	38,456,241
Basic EPS (HK cents per Share)	9.97	199.41	173.61
Diluted EPS (HK cents per Share)	9.97	199.41	173.61

2.8.5 Gearing

The Proposed Share Consolidation will not affect the gearing of the Group.

3. THE PROPOSED BONUS ISSUE

3.1 Introduction

3.1.1 The Company announced on 29 May 2015 that the Company is proposing, *inter alia*, to undertake a bonus issue of up to 3,845,624 Bonus Shares of par value US\$0.20 each after the completion of the Proposed Share Consolidation, on the basis of one (1) Bonus Share credited as fully paid for every ten (10) Consolidated Shares held by the Shareholders as at the Bonus Issue Books Closure Date, fractional entitlements to be disregarded.

3.1.2 Based on the issued and paid-up share capital of the Company comprising 33,480,187.45 Consolidated Shares after completion of the Proposed Share Consolidation, taking into account the Shares which may be issued pursuant to the exercise of the Adjusted Options and the conversion of the Bonds (based on the adjusted conversion price set out in Paragraph 2.7.3) in full and assuming that there is no change in the number of Consolidated Shares from the completion of the Proposed Share Consolidation to the

LETTER TO SHAREHOLDERS

Bonus Issue Books Closure Date, up to 3,845,624¹ Bonus Shares of par value US\$0.20 each will be issued pursuant to the Proposed Bonus Issue. The actual number of Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at the Bonus Issue Books Closure Date, following completion of the Proposed Share Consolidation. Fractional entitlements will be disregarded and fractional Shares will not be issued to Shareholders but will be aggregated and disposed of or purchased by the Company or dealt with in such manner as the Directors in their absolute discretion deem fit for the benefit of the Company. **For the avoidance of doubt, Shareholders who wish to qualify for the Proposed Bonus Issue should hold at least ten (10) Consolidated Shares as at the Bonus Issue Books Closure Date. Shareholders who hold less than ten (10) Consolidated Shares as at the Bonus Issue Books Closure Date will not meet the minimum criteria to qualify for any Bonus Share.**

3.1.3 The Proposed Bonus Issue will be effected by capitalising up to US\$769,125 (approximately HK\$5,960,717) from the retained earnings of the Company and applying the same towards payment in full at par value for the Bonus Shares. The Company had HK\$546,036,000 in audited retained earnings as of 31 March 2015. The auditors of the Company, Mazars LLP, have confirmed that the retained earnings of the Company as of 31 March 2015 is sufficient for the capitalisation of the Proposed Bonus Issue.

3.1.4 The Bonus Shares to be issued shall, on issue and allotment, rank *pari passu* in all respects with the then existing Consolidated Shares, except that they shall not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date on which the Bonus Shares are issued.

3.2 Rationale

The Directors have, in view of the favourable performance of the Group for the 12-month period ended 31 March 2015, recommended the issue of one (1) Bonus Share for every ten (10) Consolidated Shares held as an expression of appreciation to the Shareholders.

3.3 Conditions

3.3.1 Pursuant to Bye-law 147 of the Bye-laws of the Company, the implementation of the Proposed Bonus Issue is subject to Shareholders' approval by way of an ordinary resolution at the SGM.

3.3.2 The Proposed Bonus Issue is subject to, *inter alia*, the following:-

- (a) approval of Shareholders for the Proposed Bonus Issue at the SGM to be convened; and
- (b) the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares on the Mainboard of the SGX-ST.

3.3.3 On 15 July 2015, the Company announced that it had obtained the in-principle approval of the SGX-ST for, *inter alia*, the dealing in, listing of and quotation for up to 3,845,624 Bonus Shares, subject to the following conditions:-

- (a) compliance with the listing requirements of the SGX-ST;
- (b) approval of Shareholders for the Proposed Share Consolidation;

¹ After completion of the Proposed Share Consolidation, (1) the issued and paid-up share capital of the Company will comprise 33,480,187.45 Consolidated Shares, (2) there will be 430,600 (8,612,000 ÷ 20) Adjusted Options (as set out in Paragraph 2.6) and (3) up to 4,545,454 (6,000,000 ÷ 1.32) Shares will be issued pursuant to conversion of the Bonds (as set out in Paragraph 2.7).

Prior to the Bonus Issue Books Closure Date, assuming all the Adjusted Options and the Bonds (based on the new conversion price of S\$1.32) are exercised and converted respectively, the total issued and paid-up share capital of the Company will comprise 38,456,241 [33,480,187 (rounded down to the nearest whole number) + 430,600 + 4,545,454] Consolidated Shares.

Accordingly, the maximum number of Bonus Shares to be issued is 3,845,624 (38,456,241 × 10%).

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- (c) approval of Shareholders for the Proposed Bonus Issue; and
- (d) submission of a written confirmation that the Proposed Bonus Issue is in compliance with the Bermuda Act.

3.3.4 The in-principle approval of the SGX-ST for the dealing in, listing of and quotation for up to 3,845,624 Bonus Shares is not to be taken as an indication of the merits of the Proposed Bonus Issue, the Bonus Shares, the Company and/or its subsidiaries.

3.4 Adjustments to Share Options

3.4.1 The Proposed Bonus Issue will constitute an event giving rise to an adjustment to the number of Adjusted Options which a holder of Adjusted Options may be entitled to be issued with and/or the exercise price of the outstanding Options pursuant to the Swing ESOS.

3.4.2 Any adjustments which are required will be made in accordance with the provisions of the rules of the Swing ESOS to mitigate any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the holders of the Adjusted Options is not prejudiced thereafter. The rights and obligations of the holders of the Adjusted Options will remain unchanged, save for the adjustment to the number of Adjusted Options granted under the Swing ESOS and/or the exercise price in respect of the Adjusted Options.

3.4.3 The Company will announce the adjustments to the Swing ESOS in due course.

3.5 Adjustments to the Bonds

3.5.1 The Proposed Bonus Issue may give rise to adjustments to the conversion price of the Bonds pursuant to the Bonds Conditions.

3.5.2 Any adjustments which are required will be made in accordance with the provisions of the Bonds Conditions to mitigate any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the holders of the Bonds is not prejudiced thereafter. The rights and obligations of the holders of the Bonds will remain unchanged, save for the adjustment to the conversion price in respect of the Bonds.

3.5.3 As at the date of this Circular, the Bonds issue totalling S\$6,000,000 in principal amount remain unconverted. The Company will announce the adjustments to the Bonds in due course. Pursuant to the adjustment mechanism as provided in Condition 6.3.2 of the Bonds Conditions, the adjustment formula is as follows:

$$\text{NCP} = \text{OCP} \times \frac{\text{NSB}}{\text{NSA}}$$

where NCP is the new conversion price, OCP is the old conversion price, NSB is the aggregate number of Shares immediately before the Proposed Bonus Issue and NSA is the number of Shares immediately after the Proposed Bonus Issue.

Based on the above formula and assuming that (1) there are 33,480,187 Consolidated Shares immediately before the Proposed Bonus Issue and (2) 3,348,019 Bonus Shares are issued, the conversion price of the Bonds will be adjusted from S\$1.32 (upon completion of the Proposed Share Consolidation) to approximately S\$1.20. The Company will release an announcement if there are any changes to the adjusted conversion price pursuant to the Proposed Bonus Issue.

3.6 Bonus Issue Books Closure Date

An announcement will be made by the Company to notify Shareholders of the Bonus Issue Books Closure Date in due course.

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3.7 Financial Effects

For illustration purposes only and based on the audited consolidated financial statements of the Company for FY2015, the financial effects of the Proposed Bonus Issue on the Group are set out below.

3.7.1 Assumptions

For the purpose of this Paragraph 3.7, the following assumptions apply:-

- (a) The pro forma financial effects of the Proposed Bonus Issue on the share capital, Shareholders' funds, NTA, EPS and gearing of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Group after the completion of the Proposed Bonus Issue. The pro forma financial effects have been computed based on the audited consolidated financial statements;
- (b) The number of Shares for the financial effects relating to the share capital of the Group, NTA per Share and EPS are based on 33,480,187 Consolidated Shares of par value US\$0.20 each as at 31 March 2015, assuming that the Proposed Share Consolidation was completed on that date, and the number of Shares after the Proposed Share Consolidation do not take into account non-material adjustments after fractional shares are dealt with;
- (c) For the purposes of computing the effect of the Proposed Bonus Issue on the NTA per Share, it is assumed that the Proposed Bonus Issue had been completed on 31 March 2015; and
- (d) For the purposes of computing the effect of the Proposed Bonus Issue on the EPS, it is assumed that the Proposed Bonus Issue had been completed on 1 April 2014.

3.7.2 Share Capital

	As at 31 March 2015 assuming that the Proposed Share Consolidation was completed on that date	After the Proposed Bonus Issue
Issued share capital (HK\$'000)	59,607	81,346
Issued share capital (Number of Shares)	38,456,241	42,301,866

3.7.3 Shareholders' Funds

	As at 31 March 2015 assuming that the Proposed Share Consolidation was completed on that date	After the Proposed Bonus Issue
Issued share capital (HK\$'000)	59,607	81,346
Retained earnings (HK\$'000)	546,036	524,297
Shareholders' funds (HK\$'000)	1,405,584	1,405,584

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3.7.4 NTA

	As at 31 March 2015 assuming that the Proposed Share Consolidation was completed on that date	After the Proposed Bonus Issue
NTA (HK\$'000)	1,405,584	1,405,584
NTA per share (HK cents)	3,655.02	3,322.75

3.7.5 EPS

	As at 31 March 2015 assuming that the Proposed Share Consolidation was completed on that date	After the Proposed Bonus Issue
Earnings attributable to Shareholders (HK\$'000)	66,762	66,762
Weighted average number of Shares for basic EPS	38,456,241	42,301,866
Weighted average number of Shares for diluted EPS	38,456,241	42,301,866
Basic EPS (HK cents per Share)	173.61	157.82
Diluted EPS (HK cents per Share)	173.61	157.82

3.7.6 Gearing

The Proposed Share Consolidation and Proposed Bonus Issue will not affect the gearing of the Group. However, the exercise of the Options and the conversion of the Bonds in full will have an effect (as illustrated below) on the gearing of the Group.

	As at 31 March 2015 assuming that the Proposed Share Consolidation was completed on that date	After the Proposed Bonus Issue
Debts (interest bearing liabilities)	223,507	223,507
Shareholders' equity	1,405,548	1,405,548
Gearing	0.16	0.16

3.7.7 Dividends

The Company's dividend track record has been as follows:-

	Gross Dividend Amount (HK\$'000)
FY2009	2,616
FY2010	8,371
FY2011	5,655
FY2012	4,635
FY2013	4,082
FY2014	6,277
FY2015	Nil

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The Board does not have a concrete dividend policy. Subject to the Group's profit growth, cash, position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate, the Board may declare dividends as it deems appropriate.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 As at the Latest Practicable Date, the interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings of the Company are as follows:-

	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Directors			
Hui Yan Sui William	–	52,438,775 ⁽²⁾	7.83
Hui Yan Moon	95,200	126,286,022 ⁽³⁾	18.87
Chan Hon Chung Johnny	3,707,665	–	0.55
Yuen Shu Tong	–	–	–
Lau Yiu Nam Eric	–	–	–
Yu Yeung Hoi Stephen	–	–	–
Lim Kok Hui	–	–	–
Wong Heng Hwai	–	–	–
Substantial Shareholders (other than Directors)			
Hue Poh Leng	1,708,739	50,730,036 ⁽⁴⁾	7.83
Ip Ming Yan, Janies	–	126,381,222 ⁽⁵⁾	18.87
United Partner Investment Limited	50,301	49,398,181 ⁽⁶⁾	7.38
Deluxe Assets Holdings Limited	–	49,448,482 ⁽⁷⁾	7.38
RHB Securities Singapore Pte. Ltd.	49,398,181 ⁽⁶⁾	–	7.38

Notes:-

- (1) Based on 669,603,749 Shares as at the Latest Practicable Date.
- (2) Mr. Hui Yan Sui William is deemed to be interested in 52,438,775 Shares in which 50,301 Shares are held by United Partner Investment Limited, 1,281,554 Shares are held by his father, Mr. Hui Shu Pei, 1,708,739 Shares are held by his wife, Ms. Hue Poh Leng, and 49,398,181 Shares are held by RHB Securities Singapore Pte. Ltd.
- (3) Mr. Hui Yan Moon is deemed to be interested in 126,286,022 Shares in which 50,301 Shares are held by United Partner Investment Limited, 1,281,554 Shares are held by his father, Mr. Hui Shu Pei, 49,398,181 Shares are held by RHB Securities Singapore Pte. Ltd. as nominee of United Partner Investment Limited, 25,295,581 Shares are held by RHB Securities Singapore Pte. Ltd. as nominee of Mr. Hui Yan Moon, 11,222,223 Shares are held by Hong Leong Finance Nominees Pte Ltd and 39,038,182 Shares are held by Mayban Nominees (Singapore) Private Limited.
- (4) Ms. Hue Poh Leng, the spouse of Mr. Hui Yan Sui William, is deemed to be interested in 50,730,036 Shares in which 50,301 Shares are held by United Partner Investment Limited, 1,281,554 Shares are held by Mr. Hui Yan Sui William's father, Mr. Hui Shu Pei, and 49,398,181 Shares are held by RHB Securities Singapore Pte. Ltd.
- (5) Ms. Ip Ming Yan, Janies, the spouse of Mr. Hui Yan Moon, is deemed to be interested in 126,381,222 Shares in which 95,200 Shares are held by Mr. Hui Yan Moon, 50,301 Shares are held by United Partner Investment Limited, 1,281,554 Shares are held by Mr. Hui Yan Moon's father, Mr. Hui Shu Pei, 49,398,181 Shares are held by RHB Securities Singapore Pte. Ltd. as nominee of United Partner Investment Limited, 25,295,581 Shares are held by RHB Securities Singapore Pte. Ltd. as nominee of Mr. Hui Yan Moon, 11,222,223 Shares are held by Hong Leong Finance Nominees Pte Ltd and 39,038,182 shares are held by Mayban Nominees (Singapore) Private Limited.

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- (6) 49,398,181 Shares are held in the name of RHB Securities Singapore Pte. Ltd. as nominee of United Partner Investment Limited.
- (7) Deluxe Assets Holdings Limited, who wholly owns United Partner Investment Limited, is deemed to be interested in the Shares held by United Partner Investment Limited.

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

5. DIRECTORS' RECOMMENDATIONS

- 5.1 The Directors are of the opinion that the Proposed Share Consolidation and the Proposed Bonus Issue are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Share Consolidation and the Proposed Bonus Issue set out in the SGM notice.
- 5.2 Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out in this Circular, will be held on 17 August 2015 for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution set out therein.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 Shareholders (other than CDP) entitled to attend and vote at a meeting of the Company holding two or more shares but who are unable to attend the SGM may appoint not more than two proxies to attend and vote at the SGM on their behalf. Such Shareholders should complete, sign and return the Proxy Form attached to the notice of SGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Proxy Form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members and who are entitled to attend and vote at a general meeting of the Company will receive a Proxy Form with this Circular. A proxy need not be a Shareholder.
- 7.2 Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Depositors attending the SGM personally and Depositors who are not attending the SGM and who wish to appoint a proxy should complete, sign and return the Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Depositor Proxy Form by a Depositor will not prevent him from attending and voting in person at the SGM as proxy of CDP if he subsequently wishes to do so.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation and Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours on any weekday (except public holidays) from the date of this Circular up to and including the date of the SGM:-

- (a) the Memorandum of Association and Bye-laws of the Company; and
- (b) the annual report of the Company for the financial year ended 31 March 2015.

Yours faithfully

For and on behalf of the Board of Directors of
SWING MEDIA TECHNOLOGY GROUP LIMITED

Hui Yan Sui William
Executive Director, Chairman
30 July 2015

NOTICE OF SPECIAL GENERAL MEETING

SWING MEDIA TECHNOLOGY GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration Number: 30254)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the shareholders of Swing Media Technology Group Limited (the "**Company**") will be held at TKP Conference Centre, 55 Market Street #03-01, Conference Room 2, Singapore 048941, on 17 August 2015 at 9.30 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the resolutions set out below.

All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 30 July 2015.

ORDINARY RESOLUTION 1

THE PROPOSED CONSOLIDATION OF EVERY TWENTY (20) ORDINARY SHARES OF PAR VALUE US\$0.01 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.20 EACH IN THE CAPITAL OF THE COMPANY ("CONSOLIDATED SHARE"), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED ("PROPOSED SHARE CONSOLIDATION")

That:-

- (a) with effect from a date to be determined by the Directors of the Company ("**Share Consolidation Effective Date**"), every twenty (20) Existing Shares in the issued and authorised capital of the Company be consolidated into one (1) Consolidated Share;
- (b) all fractional entitlements to Consolidated Shares shall be disregarded, and approval and authority be and is hereby given to the Directors to settle any difficulty which may arise in relation to the aforesaid consolidation of shares and, to deal with all fractions of Consolidated Shares which may arise therefrom in such manner and on such terms as the Directors consider expedient (including, but not limited to, aggregating all or any of the fractional Consolidated Shares and selling the aggregated fractions of the Consolidated Shares and the proceeds thereof paid to the Company for the Company's benefit and/or purchasing by the Company of any or all of the fractional Consolidated Shares (and, if thought fit, cancelling such fractional Consolidated Shares) and the proceeds thereof retained by the Company for the Company's benefit), in each case in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company;
- (c) the Directors be and are hereby authorised to fix the Share Consolidation Books Closure Date and the Effective Trading Date in their absolute discretion; and
- (d) the Directors and each of them be and is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Ordinary Resolution and the Proposed Share Consolidation and/or the matters contemplated herein,

Provided However That notwithstanding all of the foregoing, if the Directors shall at any time prior to the announcement of the Share Consolidation Books Closure Date determine that it is no longer in the best interests of the Company to proceed with the Proposed Share Consolidation, the Proposed Share Consolidation shall not be effected and this Ordinary Resolution shall not have effect.

NOTICE OF SPECIAL GENERAL MEETING

ORDINARY RESOLUTION 2

THE PROPOSED BONUS ISSUE OF UP TO 3,845,624 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY OF PAR VALUE US\$0.20 EACH (“BONUS SHARES”), FOLLOWING THE COMPLETION OF THE PROPOSED SHARE CONSOLIDATION, ON THE BASIS OF ONE (1) BONUS SHARE CREDITED AS FULLY PAID FOR EVERY TEN (10) CONSOLIDATED SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BONUS ISSUE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (“PROPOSED BONUS ISSUE”)

That, subject to and contingent upon the passing of Ordinary Resolution 1 and the Proposed Share Consolidation being effected:-

- (a) approval be and is hereby given for an amount of up to US\$769,125 (approximately HK\$5,960,717) from the retained earnings of the Company to be capitalised by the issue of up to 3,845,624 Bonus Shares of par value US\$0.20 each in the share capital of the Company at par, fully paid (“**Bonus Shares**”), such Bonus Shares to be issued and allotted as fully paid to those persons who are registered as Shareholders as at the Bonus Issue Books Closure Date, on the basis of one (1) Bonus Share credited as fully paid for every ten (10) Consolidated Shares held by the Shareholders, and such Bonus Shares shall upon issue and allotment rank *pari passu* in all respects with the existing Shares of par value US\$0.20 each in the capital of the Company except that they shall not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date on which the Bonus Shares are issued; and
- (b) fractional entitlements (if any) will be disregarded and fractional Shares will not be issued to Shareholders but will be aggregated and disposed of or purchased by the Company or dealt with in such manner as the Directors in their absolute discretion deem fit for the benefit of the Company and approval and authority be and is hereby given to the Directors to settle any difficulty which may arise in relation to the aforesaid Proposed Bonus Issue; and
- (c) the Directors and each of them be and is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Ordinary Resolution and the Proposed Bonus Issue and/or the matters contemplated herein.

By order of the Board
Swing Media Technology Group Limited

Johnny Chan Hon Chung
Director / Company Secretary
30 July 2015

NOTICE OF SPECIAL GENERAL MEETING

Notes:-

1. A Shareholder (other than CDP) entitled to attend and vote at the Special General Meeting and who holds two or more Shares is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Shareholder of the Company. Shareholders must deposit the duly completed Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 at least forty-eight (48) hours before the time of the Special General Meeting
2. A Depositor holding Shares through the CDP and whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore) as at a time not earlier than 48 hours prior to the time of the Special General Meeting may attend and vote at the Special General Meeting as CDP's proxy. Depositors attending the Special General Meeting personally and Depositors who are not attending the Special General Meeting and who wish to appoint a proxy should complete the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 at least forty-eight (48) hours before the time of the Special General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be, (i) consents to the collection, use and disclosure of the member's or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's or Depositor's breach of warranty.