

SWING MEDIA TECHNOLOGY GROUP LIMITED

(Company Registration No 30254)

(Incorporated in Bermuda on 26 March 2001)

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- (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, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND
- (B) THE PROPOSED BONUS ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, 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, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.
- ADJUSTMENTS TO THE OUTSTANDING ADJUSTED SHARE OPTIONS AND CONVERTIBLE BONDS
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Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcements on 29 May 2015, 19 June 2015, 25 June 2015, 15 July 2015, 17 August 2015, 28 August 2015, 4 September 2015 and 25 September 2015, and the circular to shareholders of the Company dated 30 July 2015, in relation to the Proposed Share Consolidation and Proposed Bonus Issue.

1. Introduction

The Board of Directors ("Board") of the Company refers to the announcement dated 29 May 2015 and the circular to shareholders of the Company dated 30 July 2015 in relation to the Proposed Share Consolidation and Proposed Bonus Issue. The Company had appointed the auditors of the Company, Mazars LLP, to advise on whether adjustments are required with respect to the outstanding Adjusted Options and the outstanding Bonds pursuant to the governing terms of the rules of the Swing ESOS and the Bonds Conditions as a result of the Proposed Bonus Issue.

2. Outstanding Adjusted Options

Pursuant to the rules of the Swing ESOS, the Board has, upon the recommendation of the Remuneration Committee of the Company, subjected the outstanding Adjusted Options to the rules of the Swing ESOS, and determined that no adjustment to the Adjusted Exercise Price and the number of outstanding Adjusted Options will be made.

3. Outstanding Bonds

- 3.1 On 23 September 2015, the Company allotted and issued 3,347,847 Bonus Shares pursuant to the Proposed Bonus Issue. The issue of the Bonus Shares constitutes an event giving rise to an adjustment to the conversion price of the outstanding Bonds pursuant to the Bonds Conditions.
- 3.2 Pursuant to the Bonds Conditions, the Board has subjected the outstanding Bonds to the adjustment mechanism as provided in Condition 6.3.2 of the Bonds Conditions, and determined that the conversion price of the Bonds will be adjusted from S\$1.32 to S\$1.20 upon the issue of 3,347,847 Bonus Shares. The new conversion price was obtained from the formula provided in Condition 6.3.2 of the Bonds Conditions:-

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

where NCP is the new conversion price, OCP is the old conversion price, NSB is the aggregate number of Consolidated Shares immediately before the 3,347,847 Bonus Shares were issued and NSA is the number of Consolidated Shares immediately after the 3,347,847 Bonus Shares are issued.

- 3.3 The adjustment to the conversion price of the Bonds will result in the issue of an additional 454,546 new Consolidated Shares ("**Additional Conversion Shares**") pursuant to the full conversion of the outstanding Bonds. Based on the adjusted conversion price of S\$1.20 and assuming no further adjustments to the conversion price, the maximum number of Additional Conversion Shares to be allotted and issued by the Company, pursuant to the full conversion of the outstanding Bonds, is 5,000,000 instead of 4,545,454.
- 3.4 An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Additional Conversion Shares pursuant to the Proposed Bonus Issue on the Mainboard of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

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

Johnny Chan Hon Chung
Director / Company Secretary
29 September 2015