

## SWING MEDIA TECHNOLOGY GROUP LIMITED

(Company Registration No 30254)

(Incorporated in Bermuda on 26 March 2001)

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(I) **STATUTORY DEMANDS BY FINANCIERS OF THE GROUP; AND**  
(II) **SUSPENSION OF TRADING**

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### 1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or "**Directors**") of Swing Media Technology Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements on (i) 6 July 2017 in respect of its request for trading halt; and (ii) 11 July 2017 in respect of its request to convert the trading halt to a voluntary trading suspension (collectively the "**Announcements**").
- 1.2 In connection with the Announcements, the Board wishes to inform shareholders that the Group has received statutory demands from two separate financiers ("**Relevant Banks**"), details of which are set out in paragraph 2 of this announcement.

### 2. STATUTORY DEMANDS

- 2.1 *Statutory demand against Swing Media Industrial Limited ("**SMI**") and Swing Technology Limited ("**ST**")*

On 3 July 2017, SMI, a wholly-owned subsidiary of the Company, received a statutory demand issued by one of the Relevant Banks ("**Bank A**") pursuant to section 178(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**Winding Up Ordinance**") requesting payment of a sum amounting to HK\$7,120,027.36 (comprising principal amounts of HK\$5,957,508.07, interest of HK\$394,609.27 and enforcement cost of HK\$767,910.02) due and owing by SMI as borrower pursuant to the terms of banking facilities granted by Bank A to SMI.

Separately on the same date, ST, a wholly-owned subsidiary of the Company, received a statutory demand issued by Bank A pursuant to section 178(1)(a) of the Winding Up Ordinance requesting payment of a sum amounting to HK\$20,654,856.75 (comprising principal amounts of HK\$18,990,448.23, interest of HK\$896,498.5 and enforcement cost of HK\$767,910.02) due and owing by ST as borrower pursuant to the terms of banking facilities granted by Bank A to ST.

The Company is a guarantor for the abovementioned amounts owing by SMI and ST.

The statutory demands stated that if payment is not made within three weeks thereof, Bank A may present a winding-up petition against each of SMI and ST.

## 2.2 *Statutory demand against SMI and ST*

On 4 July 2017, each of SMI and ST, received a statutory demand issued by the other Relevant Bank (“**Bank B**”) pursuant to section 178(1)(a) of the Winding Up Ordinance requesting payment of a sum amounting to HK\$30,533,855.35 (comprising principal amounts of HK\$28,660,027.29, interest of HK\$1,873,088.06 and miscellaneous amounts of HK\$740.00) due and owing by SMI and ST as borrowers pursuant to the terms of banking facilities granted by Bank B to SMI and ST.

The Company is a guarantor for the abovementioned amounts owing by SMI and ST.

The statutory demand stated that if payment is not made within three weeks thereof, Bank B may present a winding-up petition against each of SMI and ST.

- 2.3 The Board is of the view that the aforementioned statutory demands from the Relevant Banks will have a material adverse impact on, *inter alia*, the financial position, the financial performance, business and operations of the Group. Further, the Board is of the view that statutory demands indicates the existence of a material uncertainty which casts doubt on the Group’s and the Company’s ability to continue as going concerns.

## 3. **SUSPENSION OF TRADING**

In view of the material uncertainty and doubt on the Group’s and the Company’s ability to continue as going concerns, the Company had, on 11 July 2017, requested for the conversion of its trading halt to a voluntary trading suspension. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

## 4. **FURTHER ANNOUNCEMENTS**

The Company is presently in negotiation with the Relevant Banks, as well as the other financiers of the Group, for the settlement of the Statutory Demands, and other potential defaults arising therefrom and will make further announcement to keep shareholders updated on any material development as and when appropriate.

### **By order of the Board**

Johnny Chan Hon Chung  
Director / Company Secretary  
11 July 2017