



**SMI VANTAGE LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200505764Z)

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**PROPOSED CAPITALISATION OF AGGREGATE S\$80,000 OUTSTANDING DIRECTORS' FEES OWED AND PAYABLE TO MR WONG YEN SIANG AND MR WEE SUNG LENG FOR FY2020**

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**PROPOSED CAPITALISATION OF AGGREGATE S\$80,000 OUTSTANDING DIRECTORS' FEES OWED AND PAYABLE TO THE INDEPENDENT DIRECTORS FOR FY2020**

1. At the annual general meeting of the Company held on 27 October 2020, the shareholders of the Company (“**Shareholders**”) had approved, *inter alia*, the payment of S\$40,000 each or an aggregate S\$80,000 to two independent Directors of the Company (“**Independent Directors**”), Mr Wong Yen Siang and Mr Wee Sung Leng, as Director’s fees for FY2020 in the proportions as set out below, which amounts remain owing and payable to Mr Wong Yen Siang and Mr Wee Sung Leng to-date (“**Outstanding Directors’ Fees**”).
2. The Board of Directors (“**Board**”) of SMI Vantage Limited (“**Company**” and together with its subsidiaries, “**Group**”) wishes to announce that based on the mutual proposal and agreement between the Company, Mr Wong Yen Siang and Mr Wee Sung Leng, the Company is proposing to capitalise the Outstanding Directors’ Fees and allot and issue to Mr Wong Yen Siang and Mr Wee Sung Leng, an aggregate 727,272 new ordinary shares in the paid-up equity share capital of the Company (“**Shares**”), credited as fully-paid up, at the issue price of S\$0.11 per Share (“**Conversion Price**”) and equivalent in value to the Outstanding Directors’ Fees of S\$80,000 (“**Conversion Shares**”), in full and final discharge and settlement of the Company’s obligation to pay each of Mr Wong Yen Siang and Mr Wee Sung Leng his respective share of the Outstanding Director’s Fees in cash (“**Proposed Capitalisation of Directors’ Fees**”).

<b>Name of Independent Director</b>	<b>Outstanding Directors’ Fees owed and payable by the Company for FY2020</b>	<b>Number of Conversion Shares Proposed to be Allotted and Issued</b>	<b>% Interest in entire Enlarged Share Capital<sup>1</sup></b>
Wong Yen Siang	S\$40,000	363,636	0.07%
Wee Sung Leng	S\$40,000	363,636	0.07%
<b>Total</b>	<b>S\$80,000</b>	<b>727,272</b>	<b>0.14%</b>

Please refer to the **Schedule** of this announcement for the shareholding effects of, *inter alia*, the Proposed Capitalisation of Directors’ Fees on the shareholdings of the existing Shareholders.

3. **Conversion Price.** The Conversion Price is at a 10.0% premium over the volume weighted average price of Shares traded (“**VWAP**”) on the Mainboard of the Singapore Exchange Securities Trading (“**SGX-ST**”) of S\$0.10 per Share for the full 20 market days on which the Shares were traded on the Mainboard prior to this announcement, taking into account factors such as the general share price and net asset value of the Company as well as the extent of potential dilution to the minority Shareholders, and to align the two Independent Directors to the future plans, viability and anticipated performance of the Group.

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<sup>1</sup> The Company’s entire issued and fully paid-up share capital including all the Conversion Shares and the The9 Consideration Shares pursuant to the Proposed Allotment and Issuance of The9 Consideration Shares as announced by the Company on 24 November 2021.

4. **Authority.** The allotment and issuance of the Conversion Shares to Mr Wong Yen Siang and Mr Wee Sung Leng pursuant to the Proposed Capitalisation of Directors' Fees will constitute:
- (a) an issuance of Shares to a Director pursuant to Rules 804 and 805 of the Listing Manual of the SGX-ST ("**Listing Rules**"); and
  - (b) an issuance of Shares to a Director pursuant to Rule 812(1)(a) of the Listing Rules.

Accordingly, the Proposed Capitalisation of Directors' Fees and the allotment and issuance of the Conversion Shares is subject to, *inter alia*:

- (i.) specific approval from Shareholders to be sought at an extraordinary general meeting of the Company ("**EGM**") in accordance with Rules 804, 805 and 812(2) of the Listing Rules and section 161 of the Companies Act (Cap 50) of Singapore ("**Act**"), and
- (ii.) approval-in-principle of the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard.

The Proposed Capitalisation of Directors' Fees and allotment and issuance of the Conversion Shares will not result in any transfer of controlling interest in the Company as described in Rule 803 of the Listing Rules.

5. **IPT.** Notwithstanding that Mr Wong Yen Siang and Mr Wee Sung Leng are interested persons under Rule 904 of the Listing Rules, the Proposed Capitalisation of Directors' Fees is not an interested person transaction requiring Shareholders' approval under Rule 906(1) of the Listing Rules as:
- (a) pursuant to Rule 906(2) of the Listing Rules, the Outstanding Directors' Fees to be paid by the Company to each of Mr Wong Yen Siang and Mr Wee Sung Leng is S\$40,000, ie. less than S\$100,000;
  - (b) Mr Wong Yen Siang and Mr Wee Sung Leng are not immediate family members and not associates of each other and accordingly, the allotment and issuance of their respective Conversion Shares under the Proposed Capitalisation of Directors' Fees is not aggregated under Rule 908 of the Listing Rules, and
  - (c) the allotment and issuance of the respective Conversion Shares to each of Mr Wong Yen Siang and Mr Wee Sung Leng is in lieu of payment in cash by the Company to each of them for their respective share of the Outstanding Directors' Fees which is already owed to them by the Company and already exempted from Rule 906 pursuant to Rule 915(8) of the Listing Rules.
6. **Securities and Futures Act (Cap. 289) ("SFA").** The Proposed Capitalisation of Directors' Fees and the allotment and issuance of the Conversion Shares to Mr Wong Yen Siang and Mr Wee Sung Leng, will be made pursuant to the 'safe harbour' exemptions for a private placement under section 272B of the SFA and in compliance with the conditions of these exemptions in the SFA. Mr Wong Yen Siang and Mr Wee Sung Leng are not accepting the Company's offer of the Conversion Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus, offer information statement or offer document will be issued by the Company or registered with the Monetary Authority of Singapore for the Proposed Capitalisation of Directors' Fees.
7. **Status.** The Conversion Shares shall be allotted and issued (a) free from all encumbrances, (b) ranking *pari passu* in all respects with and carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, accruing on a record date which falls on or before the completion of the Proposed Capitalisation of Directors' Fees, and (c) not subject to any rights of pre-emption or first refusal or any restriction on disposal placed by any party or by contractual undertaking or otherwise or under any restrictions by any law or authority restricting the sale and transfer of the Conversion Shares.
8. **No Other Entitlements.** The Proposed Capitalisation of Directors' Fees does not confer on Mr Wong Yen Siang and Mr Wee Sung Leng, any rights or entitlements to participate in any distributions and/or offers of further securities made by the Company.

9. **Independent Directors' Undertakings.** Each of Mr Wong Yen Siang and Mr Wee Sung Leng has undertaken to the Company, *inter alia*, that:
- (a) the allotment and issuance of the Conversion Shares to him is subject to specific approval of the Shareholders at the EGM and approval of the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard and pending the aforesaid approvals and completion of the allotment and issuance of the Conversion Shares to him, he will not take any action to enforce his right to payment of the Outstanding Director's Fees from the Company;
  - (b) he acknowledges that the Conversion Shares to be allotted and issued to him pursuant to the Company's reliance on the 'safe harbour' exemptions for a private placement under section 272B of the SFA and in compliance with all the conditions of these exemptions in the SFA therein;
  - (c) he is an accredited investor as defined in the SFA and is subscribing for his respective Conversion Shares as principal for his own benefit and will not be holding his respective Conversion Shares on trust or for the benefit of other parties;
  - (d) he shall comply with all the conditions of the 'safe harbour' exemptions for a private placement under section 272B of the SFA and is not accepting the Company's offer of his respective Conversion Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
  - (e) save as disclosed in this announcement and his position as an Independent Director, he has no other relationships, businesses or dealings with the Company, have not entered into transactions of any kind with the Company as a counterparty or beneficiary, and are not a person acting in concert, within the meaning of the Singapore Code on Take-overs and Mergers, with any other Shareholder;
  - (f) he is not an immediate family member of or an associate of any other Independent Director;
  - (g) he has recused and will recuse himself from all of the Directors' deliberations and decision-making processes relating to any matter concerning the Proposed Capitalisation of Directors' Fees, and he and his associates will abstain from voting on or being appointed as proxies for the ordinary resolution in relation to the Proposed Capitalisation of Directors' Fees at the EGM;
  - (h) no steps have been taken, nor have any proceedings, applications, petitions or summonses been started or threatened with a view to his insolvency or bankruptcy, or for the appointment of a receiver, trustee, manager, assignee or similar officer over him and/or his businesses, undertakings, properties or assets or any of them, and
  - (i) he has no other legal or beneficial interests in Shares.
10. **Rationale and Use of Proceeds.** The allotment and issuance of the Conversion Shares by the Company to Mr Wong Yen Siang and Mr Wee Sung Leng under the Proposed Capitalisation of Directors' Fees is in lieu of cash payment by the Company to them for the Outstanding Directors' Fees and accordingly, no cash proceeds will be received by the Company from Mr Wong Yen Siang and Mr Wee Sung Leng. Subject to and upon completion of the allotment and issuance of the Conversion Shares to Mr Wong Yen Siang and Mr Wee Sung Leng under the Proposed Capitalisation of Directors' Fees, the Company's obligation to pay the Outstanding Directors' Fees to them in cash shall be irrevocably and unconditionally terminated and settled, and the Company shall be fully, absolutely, finally and forever exonerated, released and discharged from the obligation to pay the Outstanding Directors' Fees in cash to Mr Wong Yen Siang and Mr Wee Sung Leng, and they shall have no further or other claims of any nature whatsoever against the Company, arising out of or in relation to the Outstanding Directors' Fees.

The Proposed Capitalisation of Directors' Fees will enable the Group to augment its capital base by converting the Outstanding Directors' Fees into equity of the Company, strengthen the Group's balance sheet and improve its debt-equity position. The short-term obligation to pay the Outstanding Directors' Fees would be settled and the Group's cash can be conserved for other purposes.

No placement agent was appointed by the Company for the Proposed Capitalisation of Directors' Fees. In view of the specific purpose of discharging and releasing the Company from the obligation to pay the Outstanding Directors' Fees to Mr Wong Yen Siang and Mr Wee Sung Leng, there is no underwriting arrangement for the Proposed Capitalisation of Directors' Fees.

The Board (with Mr Wong Yen Siang and Mr Wee Sung Leng abstaining) has weighed the benefits against the potential costs to the Company as elaborated above and is of the view that the Proposed Capitalisation of Directors' Fees is beneficial to and in the interests of the Company and enables the Group to improve its working capital position and reduce its indebtedness and gearing while conserving its cash resources.

11. **Independence.** The Board (with Mr Wong Yen Siang and Mr Wee Sung Leng abstaining) has considered and is satisfied that the Proposed Capitalisation of Directors' Fees will not affect the independence of Mr Wong Yen Siang and Mr Wee Sung Leng in consideration that (i.) each of them will have an individual aggregate direct and indirect interest of no more than 5% of the Enlarged Share Capital of the Company, (ii) the Proposed Capitalisation of the Directors' Fees relates to the settlement of existing debt obligations owed by the Company to them, and (iii) the Proposed Capitalisation of the Directors' Fees does not subject them to further obligations or result in a change in their scope of work or responsibility as Independent Directors.

#### **FURTHER INFORMATION ON THE PROPOSED CAPITALISATION OF DIRECTORS' FEES**

12. **Opinion of the Board.** The Board is of the opinion that after taking into consideration, the present financial position of the Group, including its banking facilities, its bank and cash balances together with the support of the major shareholders, the working capital available to the Group is sufficient to meet its present requirements.
13. **Additional Listing Application.** The Company will submit an additional listing application ("**ALA**") to SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard.
14. **Outstanding Share Options under SMIV ESOS.** The Company has awarded options which may be exercised to take up unissued Shares pursuant to the The SMI Vantage Employee Share Option Scheme (formerly known as the Singapore Myanmar Investco Limited Employee Share Option Scheme) ("**SMIV ESOS**") approved by Shareholders at the extraordinary general meeting of the Company on 10 July 2017. As at the date of this announcement, 1,363,900 options under the SMIV ESOS still remain outstanding and unexercised.
15. **Outstanding Share Awards under the SMIV PSP.** As at the date of this announcement, there are no unvested Share awards under the SMIV SMI Vantage Performance Share Plan (formerly known as the SWH Performance Share Plan) ("**SMIV PSP**") approved and adopted by Shareholders at the extraordinary general meeting of the Company on 30 July 2014.

#### **FINANCIAL EFFECTS OF THE PROPOSED ALLOTMENT AND ISSUANCE OF THE9 CONSIDERATION SHARES<sup>2</sup> AND PROPOSED CAPITALISATION OF DIRECTORS' FEES**

16. As at the date of this announcement, the issued and paid-up share capital of the Company is S\$96,648,628 comprising 513,535,187 Shares. For illustration only, the *pro forma* effects on the share capital and the financial effects of the Proposed Allotment and Issuance of The9 Consideration Shares and the Proposed Capitalisation of Directors' Fees are set out below and are prepared based on the following bases and assumptions:
  - (a) the effects on the share capital are computed as at the date of this announcement;
  - (b) the financial effects on the net tangible assets ("**NTA**") and gearing are computed based on the latest announced audited consolidated financial results of the Group for FY2021 and the assumption that the Proposed Allotment and Issuance of The9 Consideration Shares and the Proposed Capitalisation of Directors' Fees had been effected on 31 March 2021; and
  - (c) the financial effects on the loss per Share ("**LPS**") are computed based on the latest announced audited consolidated financial results of the Group for FY2021 and the assumption that the Proposed Allotment and Issuance of The9 Consideration Shares and the Proposed Capitalisation of Directors' Fees had been effected on 1 April 2020 and the basic weighted average number of shares is computed as at the date of this announcement, and
  - (d) an exchange rate of US\$1.00 : S\$1.36 and S\$1.00 : RMB4.68.

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<sup>2</sup> As announced by the Company on 24 November 2021.

**Share Capital**

	<b>As at the date of this announcement</b>	<b>After the Proposed Allotment and Issuance of The9 Consideration Shares</b>	<b>After the Proposed Capitalisation of Directors' Fees</b>
No. of Shares	513,535,187	521,369,944	522,097,216
Paid-up capital (S\$)	96,648,628.43 <sup>(1)</sup>	97,353,756.64	97,433,756.64

**NTA**

	<b>As at the date of this announcement</b>	<b>After the Proposed Allotment and Issuance of The9 Consideration Shares</b>	<b>After the Proposed Capitalisation of Directors' Fees</b>
NTA (US\$'000)	15,932 <sup>(2)</sup>	16,450	16,509
No. of Shares	513,535,187	521,369,944	522,097,216
NTA per Share (US cents)	3.10	3.16	3.16
NTA per Share (Singapore cents)	4.22	4.30	4.30

**LPS**

	<b>As at the date of this announcement</b>	<b>After the Proposed Allotment and Issuance of The9 Consideration Shares</b>	<b>After the Proposed Capitalisation of Directors' Fees</b>
Loss attributable to owners of the Company (US\$'000)	(5,375)	(5,375)	(5,375)
Basic weighted average number of Shares	419,829,207	427,663,964	428,391,236
LPS (US cents)	(1.28)	(1.26)	(1.25)
LPS (Singapore cents) <sup>(3)</sup>	(1.74)	(1.71)	(1.70)

## Gearing

	As at the date of this announcement	After the Proposed Allotment and Issuance of The9 Consideration Shares	After the Proposed Capitalisation of Directors' Fees
Total borrowings (US\$'000)	7,865 <sup>(6)</sup>	7,865	7,865
Total equity attributable to owners of the Company (US\$'000)	15,932 <sup>(2)</sup>	16,450	16,509
Debt-to-equity ratio <sup>(4)</sup> (times)	0.49	0.48	0.48
Total assets (US\$'000)	36,332 <sup>(7)</sup>	36,850	36,850
Debt ratio <sup>(5)</sup> (times)	0.22	0.21	0.21

### Notes:

- (1) Excluding expenses for the allotment and issuance of shares incurred in the financial years ended 31 March 2017, 31 March 2018 and 31 March 2021.
- (2) As adjusted for (i.) the capitalisation of loans from Mark Bedingham amounting to an aggregate of US\$5,050,582.39 on 12 October 2021, and (ii.) the subscription proceeds of US\$1,187,218 from the June2021 Subscriptions completed on 1 September 2021.
- (3) The exchange rate used is US\$1.00 : S\$1.36.
- (4) Debt-to-equity ratio is computed using total borrowings divided by total equity attributable to owners of the Company.
- (5) Debt ratio is computed using total borrowings divided by total assets.
- (6) As adjusted for (i.) the capitalisation of loans from Mark Bedingham amounting to an aggregate of US\$5,050,582.39 on 12 October 2021, and (ii.) additional loans extended by Mark Bedingham to the Company in April and May 2021 amounting to an aggregate of US\$200,000.
- (7) As adjusted for (i) the subscription proceeds of US\$1,187,218 from the June2021 Subscriptions completed on 1 September 2021, and (ii.) additional loans extended by Mark Bedingham to the Company in April and May 2021 amounting to an aggregate of US\$200,000.

## CIRCULAR AND EGM

17. The Company will convene the EGM to seek Shareholders' approval for the Proposed Business Diversification<sup>3</sup>, the Proposed Allotment and Issuance of The9 Consideration Shares and the Proposed Capitalisation of Directors' Fees. A circular containing, *inter alia*, the notice of the EGM, details of the foregoing transactions will be despatched to Shareholders in due course ("Circular"). The Company will make further or other announcements if and when there are material developments in connection with the Proposed Capitalisation of Directors' Fees and the Conversion Shares.

## INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

18. As at the date of this announcement, save for their respective shareholding interests in the Company, none of the Directors or Controlling Shareholders (as defined in the Listing Rules) of the Company have any interest, direct or indirect, in:
  - (a) the Proposed Capitalisation of Directors' Fees and the Conversion Shares, other than the interests of the Independent Directors therein

<sup>3</sup> As disclosed by the Company in its announcements of 15 July 2021, 24 August 2021 and 27 September 2021.

The interests held (including deemed and direct) by the Directors and Substantial Shareholders (as defined in the Act) in the Shares as at date of this announcement are set out as follows:

Number of Shares	Direct Interest	Deemed Interest	Total Interest	% of Voting Rights <sup>(1)</sup>
<b>Directors</b>				
Ho Kwok Wai <sup>(2)</sup>	–	164,749,871	164,749,871	32.1%
Mark Francis Bedingham <sup>(3)</sup>	–	175,918,383	175,918,383	34.3%
Wong Yen Siang	–	–	–	–
Fong Sing Chak Jack <sup>(4)</sup>	–	1,000,000	1,000,000	0.2%
Wee Sung Leng	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Jet Palace Holdings Limited <sup>(5)</sup>	–	33,400,000	33,400,000	6.5%
Taipan Grand Investments Limited <sup>(6)</sup>	–	77,933,000	77,933,000	15.2%
The9 Limited <sup>(7)</sup>	–	44,333,333	44,333,333	8.6%
The9 Singapore Pte. Ltd. <sup>(7)</sup>	44,333,333	–	44,333,333	8.6%

**Notes:**

- (1) Percentage is calculated based on 513,535,187 Shares as at the date of this announcement.
- (2) Mr Ho Kwok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (53,416,871 Shares).
- (3) Mr Mark Francis Bedingham is deemed to be interested in 38,508,321 Shares held by Bank Julius Baer.
- (4) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (5) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.
- (6) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.
- (7) The9 Limited is deemed to be interested in the Shares held by The9 Singapore Pte. Ltd. by virtue of its 100% shareholding in The9 Singapore Pte. Ltd.

**DOCUMENTS AVAILABLE FOR INSPECTION**

19. A copy of the following documents will be available for inspection during normal business hours at the Company's registered office at 300 Beach Road, the Concourse #31-03, Singapore 199555 for a period of three (3) months from the date of this announcement:
  - (a) the constitution of the Company, and
  - (b) the annual report of the Company for FY2021.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to [enquiries@sin-mi.com](mailto:enquiries@sin-mi.com) to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

20. 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 Capitalisation of Directors' Fees and the Conversion Shares and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 this announcement in its proper form and context.

## **CAUTION IN TRADING**

21. Shareholders are advised to read this announcement, the Circular to be issued by the Company in due course, and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and to exercise caution when dealing in their Shares. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

## **BY ORDER OF THE BOARD**

Mark Francis Bedingham  
President and CEO  
13 December 2021



**SCHEDULE: SHAREHOLDING EFFECTS**

Shareholders <sup>(1)</sup>	As at the date of this announcement			After the Proposed Allotment and Issuance of The9 Consideration Shares			After the Proposed Capitalisation of Directors' Fees		
	Direct Interest	Deemed Interest	% Voting Rights <sup>(2)</sup>	Direct Interest	Deemed Interest	% Voting Rights <sup>(3)</sup>	Direct Interest	Deemed Interest	% Voting Rights <sup>(3)</sup>
<b>Directors</b>									
Ho Kwok Wai <sup>(5)</sup>	–	164,749,871	32.1	–	164,749,871	31.6	–	164,749,871	31.6
Mark Francis Bedingham <sup>(6)</sup>	–	175,918,383	34.3	–	175,918,383	33.7	–	175,918,383	33.7
Wong Yen Siang	–	–	–	–	–	–	–	363,636	0.1
Fong Sing Chak Jack <sup>(7)</sup>	–	1,000,000	0.2	–	1,000,000	0.2	–	1,000,000	0.2
Wee Sung Leng	–	–	–	–	–	–	–	363,636	0.1
<b>Substantial Shareholders (other than Directors)</b>									
Jet Palace Holdings Limited <sup>(5)</sup>	–	33,400,000	6.5	–	33,400,000	6.4	–	33,400,000	6.4
Taipan Grand Investments Limited <sup>(5)</sup>	–	77,933,000	15.2	–	77,933,000	14.9	–	77,933,000	14.9
The9 Limited <sup>(6)</sup>	–	44,333,333	8.6	–	52,168,090	10.0	–	52,168,090	10.0
The9 Singapore Pte. Ltd. <sup>(8)</sup>	44,333,333	–	8.6	52,168,090	–	10.0	52,168,090	–	10.0
<b>Public Shareholders</b>									
Other public shareholders	127,533,600	–	24.8	127,533,600	–	24.5	127,533,600	–	24.4
<b>Total</b>	<b>513,535,187</b>	<b>–</b>	<b>100.0</b>	<b>521,369,944</b>	<b>–</b>	<b>100.0</b>	<b>522,097,216</b>	<b>–</b>	<b>100.0</b>

**Notes:**

- (1) For purposes of illustration, the aforesaid shareholding structure assumes that all the outstanding 1,392,000 share options under the SMI ESOS, as at the date of this application, are not exercised due to the exercise price being out of the money.
- (2) As at the date of this announcement, the free float of Shares in the hands of the public is 24.8%.
- (3) Following the Proposed Allotment and Issuance of The9 Consideration Shares and the Proposed Capitalisation of Directors' Fees, the free float of Shares in the hands of the public will decrease to 24.4% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (5) Jet Palace Holdings Limited's 33,400,000 Shares and Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of nominee accounts. Mr Ho Kwok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (53,416,871 Shares).

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## SCHEDULE: SHAREHOLDING EFFECTS

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- (6) Mr Mark Francis Bedingham is deemed to be interested in 38,508,321 Shares held by Bank Julius Baer.
- (7) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (8) The9 Limited is deemed to be interested in the Shares held by The9 Singapore Pte. Ltd. by virtue of its 100% shareholding in The9 Singapore Pte. Ltd.