

SMI Vantage Limited

(Previously known as Singapore Myanmar Investco Limited)

and its subsidiary companies

Condensed Interim Financial Statements

For the six months ended 30 September 2021

Table of contents

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	- 2 -
B. CONDENSED STATEMENTS OF FINANCIAL POSITION	- 3 -
C. CONDENSED STATEMENTS OF CHANGES IN EQUITY.....	- 4 -
D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	- 5 -
E. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	- 6 -
F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	- 12 -

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In US\$'000)		The Group			
		6 months ended		Change	
		30 Sep 2021	30 Sep 2020	US\$'000	%
Description	Note				
Revenue	2	204	530	(326)	(61.5)
Cost of sales		(147)	(341)	194	56.9
Gross profit/(loss)		57	189	(132)	(69.8)
Other items of income					
Other income		50	6	44	733.3
Other gains		31	68	(37)	(54.4)
Other items of expenses					
Selling & distribution expenses		(168)	(498)	330	66.3
General and administrative expenses		(1,809)	(1,945)	136	7.0
Finance expenses		(348)	(427)	79	18.5
Share of results of Jointly controlled Entities, net of tax		(24)	63	(87)	(138.1)
Profit/(Loss) before tax from continuing operations	4	(2,211)	(2,544)	333	13
Income tax benefit	5	-	3	(3)	(100)
Loss from continuing operations, net of tax		(2,211)	(2,541)	330	13
Loss from discontinued operations, net of tax		(65)	(46)	(19)	(41)
Profit/(Loss) for the financial period, net of tax		(2,275)	(2,587)	312	12
Other comprehensive income:					
Exchange differences on translating foreign operations, net of tax		1,178	(356)	1,534	(431)
Total comprehensive loss for the period		(1,097)	(2,943)	1,846	(63)
Loss attributable to:					
Total comprehensive loss, attributable to: -					
- Owners of the Company		(1,097)	(2,936)	1,839	63
- Non-controlling interests		*	(7)	7	100
Earnings Per Share for Profit for the period attributable to the owners of the Company during the year					
Basic (USD in cent)		(0.31)	(0.94)		
Diluted (USD in cent)		(0.26)	(0.91)		

* Less than \$1,000

N.M. denotes not meaningful

(a) Comparative figures for the discontinued operations identified in 1H FY2022 has been restated for 1H FY2021

B. CONDENSED STATEMENTS OF FINANCIAL POSITION

(In US\$'000)		Group		Company	
Description	Note	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
ASSETS					
Non-current assets					
Property, plant and equipment	9	6,358	7,575	376	465
Intangible assets	8	96	142	-	-
Right-of-use assets		551	901	116	154
Investments in subsidiaries		-	-	25	-
Investments in jointly controlled entities		775	799	900	900
Trade and other receivables, non-current	10	20,001	20,001	-	-
Other Assets, Non-Current		56	62	23	23
Total Non-Current Assets		27,837	29,480	1,440	1,542
Current Assets					
Inventories		68	74	-	-
Trade and Other Receivables	10	5,469	5,424	11,921	11,661
Other Assets, Current		535	466	612	1,160
Cash and Cash Equivalents		867	537	752	98
Total Current Assets		6,939	6,501	13,285	12,919
Total Assets		34,776	35,981	14,725	14,461
EQUITY AND LIABILITIES					
Equity Attributable to equity holders of the company					
Share Capital	13	61,797	60,067	61,797	60,067
Accumulated Losses		(51,155)	(50,058)	(57,194)	(56,540)
Employee share option reserve		99	523	99	523
Total Equity attributable to Owners of the Parent		10,741	10,532	4,702	4,050
Total Equity		10,741	10,532	4,702	4,050
Non-Current Liabilities					
Lease Liability, Non-Current	11	413	667	89	88
Other Financial Liabilities, Non-Current	11	3,546	4,061	390	390
Total Non-Current Liabilities		3,959	4,728	479	478
Current Liabilities					
Trade and Other Payables, Current	12	8,556	9,217	2,600	3,149
Lease Liability, Current	11	1,758	1,873	42	82
Income and Other Tax Payable, Current	5	775	807	2	2
Other financial liabilities, Current	11	8,987	8,824	6,900	6,700
Total Current Liabilities		20,076	20,721	9,544	9,933
Total Liabilities		24,035	25,449	10,023	10,411
Total Equity and Liabilities		34,776	35,981	14,725	14,461

C. CONDENSED STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital	Accumulated losses	Employee share option reserve	Attributable to parent	Non-controlling interests	Total equity
(In US\$'000)	A	B	C	D = A + B + C	E	F = D + E
FY2022						
Balance at 01 Apr 2021	60,067	(50,058)	523	10,532	-	10,532
Movement in Equity:						
Issue of share capital	424	-	-	424	-	424
Total comprehensive loss for the year	-	(1,097)	-	(1,097)	-	(1,097)
Grant of equity-settled performance share plan	-	-	(424)	(424)	-	(424)
Issue of shares under share placement	1,306	-	-	1,306	-	1,306
Balance at 30 Sep 2021	61,797	(51,155)	99	10,741	-	10,741
FY2021						
Balance at 01 Apr 2020	59,862	(45,521)	515	14,857	(103)	14,753
Movement in Equity:						
Issue of share capital	205	-	213	418	-	418
Total comprehensive loss for the year	-	(4,537)	-	(4,537)	73	(4,464)
<u>Total contributions by and distributions to owners</u>						
Grant of equity-settled performance share plan	-	-	(205)	(205)	-	(205)
<u>Changes in ownership interests in subsidiaries</u>						
Disposal of subsidiary without a change in control	-	-	-	-	30	30
Balance at 30 Sep 2020	60,067	(50,058)	523	10,532	-	10,532

Company	Share capital	Retained profits/(loss)	Employee share option reserve	Total equity
(In US\$'000)	A	B	C	D = A + B + C
FY2022				
Balance at 01 Apr 2021	60,067	(56,540)	523	4,050
Movement in Equity:				
Issue of share capital	424	-	-	424
Total comprehensive loss for the year	-	(654)	-	(654)
Grant of equity-settled performance share plan	-	-	(424)	(424)
Issue of shares under share placement	1,306	-	-	1,306
Balance at 30 Sep 2021	61,797	(57,194)	99	4,702
FY2021				
Balance at 01 Apr 2020	59,862	(43,507)	515	16,870
Movement in Equity:				
Issue of share capital	205	-	213	418
Total comprehensive loss for the year	-	(13,033)	-	(13,033)
Grant of equity-settled performance share plan	-	-	(205)	(205)
Balance at 30 Sep 2020	60,067	(56,540)	523	4,050

D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(In US\$'000)		The Group	
		6 months ended 30 Sep 2021	6 months ended 30 Sep 2020
Description	Note		
Cash flows from operating activities			
Loss before tax from continuing operations		(1,032)	(2,897)
Loss before tax from discontinued operations		(65)	(46)
Profit/(Loss) before tax		(1,097)	(2,943)
Adjustments for:			
Depreciation of plant and equipment		1,144	1,132
Amortisation of intangible assets		46	87
Depreciation of right-of-use assets		72	195
Allowance for impairment on trade and other receivables		10	-
Gain/loss on modification of leases		-	(56)
Finance expenses		343	427
(Gain)/loss on disposal of property, plant and equipment		(1)	*
(Gain)/Loss on disposal of subsidiaries		-	(25)
Plant and equipment written off		173	-
Share of results of jointly controlled entity - net of tax		24	(63)
Non-cash share-based payments		-	107
Foreign exchange adjustment - unrealised losses/(gain)		(1,184)	364
Operating cash flows before changes in working capital		(470)	(775)
Changes in working capital			
Inventories		6	405
Trade and other receivables	10	(45)	849
Other non-financial assets		69	475
Trade and other payables	12	661	(63)
Net Cash Flows generated from/ (used in) operations		221	891
Net taxation paid		-	3
Net cash from operating activities		221	894
Cash Flows from investing activities			
Purchase of property, plant and equipment		36	(122)
Acquisition of subsidiary, net of cash acquired		-	(390)
Proceeds from disposal of subsidiaries, net of cash		-	47
Net cash flows generated from/ (used in) investing activities		36	(465)
Cash flows from financing activities			
Proceeds from issue of share capital		1,306	-
Decrease in restricted fixed bank deposits		-	20
Decrease of other financial liabilities		(1,008)	-
(Repayment)/drawdown of borrowings		(188)	(36)
Drawdown/(repayment) of finance leases		16	(80)
Loans from shareholders		200	390
Interest paid		(257)	(86)
Net cash flows generated from/ (used in) financing activities		69	208
Net increase in cash and cash equivalents		326	637
Cash and cash equivalents at beginning of the period		(3,785)	(3,958)
Effects of currency translation on cash and cash equivalents		1,018	(306)
Cash and cash equivalents at end of the period		(2,441)	(3,627)

*Denotes lesser than USD \$1,000

Comparative figures for the discontinued operations identified in 1H FY2022 has been restated for 1H FY2021

E. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

SMI Vantage Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. The financial statements are presented in US dollars, and they cover the Company and its subsidiaries (collectively, the Group). The registered office is: 300 Beach Road #31-03, The Concourse, Singapore 199555.

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

2. Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I) s") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements, except for the adoption of new and amended standards which have no material effect on the condensed financial statements of the Group.

2.1 Critical judgements, assumptions and estimation uncertainties

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Financial information by operating segments

The business activities of the group are organised into the following segments:

- (a) Travel and Fashion Retail
- (b) Food & Beverage
- (c) Construction services

The accounting policies of the reportable segments are the same as the Group's accounting policies applied to the consolidated financial statements as at and for the year ended 31 March 2021. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

2.21 Reportable segments

(In US\$'000)	Travel and Fashion Retail	Food & Beverage	Construction Services	Unallocated	Consolidated
Description					
01 Apr 2021 to 30 Sep 2021					
Segment revenue - Sales to external customers	119	85	-	-	204
Segment result (EBITA)	1,107	16	(6)	(587)	530
Miscellaneous income	-	-	-	50	50
Finance costs	(248)	-	-	(100)	(348)
Depreciation and amortisation expenses and impairment	(1,023)	(111)	-	(106)	(1,240)
ORBIT/loss before tax from continuing operations	(164)	(95)	(6)	(743)	(1,008)
Share of jointly controlled entities, net of tax					(24)
Loss from continuing operations, net of tax	(164)	(95)	(6)	(743)	(1,032)
Loss from discontinued operations					(65)
Profit/(loss) for the period	(164)	(95)	(6)	(742)	(1,097)
Total assets	26,969	3,121	959	3,727	34,776
Total liabilities	10,512	1,965	59	11,499	24,035
(In US\$'000)					
Description					
01 Apr 2020 to 30 Sep 2020					
Segment revenue - Sales to external customers	368	162	-	-	530
Segment result (EBITA)	(490)	(31)	(5)	(776)	(1,148)
Finance costs	(290)	(37)	(3)	(97)	(427)
Depreciation and amortisation expenses and impairment	(860)	(459)	-	(69)	(1,388)
ORBIT/Profit/(loss) before tax from continuing operations	(1,640)	(527)	(8)	(942)	(2,963)
Share of jointly controlled entities, net of tax					63
Tax benefit					3
Profit/(loss) from continuing operations, net of tax	(1,640)	(527)	(8)	(942)	(2,897)
Profit/(loss) from discontinued operations					(46)
Profit/(loss) for the period	(1,640)	(527)	(8)	(942)	(2,943)
Total assets	29,812	3,523	1,233	2,601	37,169
Total liabilities	12,451	1,463	200	10,238	24,352

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

2.22 Disaggregation of Revenue

(In US\$'000) Description	Travel and Fashion Retail	Food & Beverage	Consolidated
01 Apr 2021 to 30 Sep 2021			
Recognition of revenue at point of sale of goods	119	85	204
<u>Geographical information</u>			
Myanmar	119	85	204
Total revenue	119	85	204
(In US\$'000) Description	Travel and Fashion Retail	Food & Beverage	Consolidated
01 Apr 2020 to 30 Sep 2020			
Recognition of revenue at point of sale of goods	368	162	530
<u>Geographical information</u>			
Myanmar	368	162	530
Total revenue	368	162	530

3. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as of 30 September and 31 March 2021

(In US\$'000) Description	Group		Company	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
Financial Assets				
<u>At amortised cost</u>				
Cash and bank balances	867	537	752	98
Trade and other receivables	25,470	25,425	11,921	11,661
	26,337	25,962	12,673	11,759
Financial Liabilities				
<u>At amortised cost</u>				
Borrowings	12,533	12,885	7,290	7,090
Lease liabilities	2,171	2,540	131	170
Trade and other payables	8,556	9,217	2,600	3,149
	23,260	24,642	10,021	10,409

4. Profit before taxation

4.1 Significant items

(In US\$'000) Description	The Group 6 months ended	
	30 Sep 2021	30 Sep 2020
Other income:		
Interest income	*	7
Other expenses		
Interest on borrowings	343	427
Depreciation and amortisation of plant and equipment and intangible assets	1,190	1,219
Write-off of plant and equipment and intangible assets	173	-
Foreign exchange loss/(gain), net	(1,178)	356
Loss/(gain) on disposal and write-off of plant and equipment and intangible assets	50	-
Loss/(gain) on modification of leases	-	(56)

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

4.2 Related party transactions

There are no material related party transactions in this reporting period.

5. Taxation

(In US\$'000) Description	The Group	
	6 months ended	
	30 Sep 2021	30 Sep 2020
Current income tax expense/(credit)	-	(3)
	-	(3)

6. Dividends

There is no dividend being declared or paid for the current and the corresponding financial period of the immediately preceding financial year since the Company is at loss making position.

7. Net Asset Value

Description	Group		Company	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
No of ordinary shares	379,375,125	316,996,792	379,375,125	316,996,792
Net asset value per ordinary share (In US Cents)	0.03	0.03	0.01	0.01

8. Intangible asset

(In US\$'000) Description	The Group		
	Franchise fees	License fees	Total
At 31 Mar 2021			
Cost	544	270	814
Accumulated amortisation and impairment	(415)	(257)	(672)
Net book amount	129	13	142
6 months ended 30 Sep 2021			
Cost	129	13	143
Accumulated amortisation and impairment	(33)	(13)	(46)
Closing net book amount	96	-	96
Cost	544	270	814
Accumulated amortisation and impairment	(448)	(270)	(718)
Net book amount	96	-	96

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

9. Plant and equipment

During the six months ended 30 September 2021, the Group acquired asset of US\$2.5k (30 September 2020: US\$160k) and disposed off assets of US\$269k (30 September 2020:US\$335k)

10. Trade and other receivables

The Group's trade and other receivable as of 30 September 2021 are set out as below:

(In US\$'000) Description	30 Sep 2021	31 Mar 2021
	US\$'000	US\$'000
<u>Trade receivables</u>		
Third parties	26,723	26,602
Associates	2,682	2785
Less: Allowance for impairment	(4,677)	(4,677)
Net trade receivables	24,728	24,710
<u>Non-trade & other receivables</u>		
Deferred consideration from disposal of subsidiaries	366	433
Others	27	50
Joint ventures	340	359
GST/commercial tax receivable	410	274
Less: Allowance for impairment	(401)	(401)
Total trade and other receivables	25,470	25,425

11. Other financial liabilities

(In US\$'000) Description	The Group and the Company	
	30 Sep 2021	31 Mar 2021

Amount repayable within one year or on demand

Secured loans	2,084	2,084
Unsecured loans	6,903	6,740
Unsecured lease liabilities	1,758	1,873
Total	10,745	10,697

Amount repayable after one year

Secured loans	3,156	3,671
Unsecured loans	390	390
Unsecured lease liabilities	413	667
Total	3,959	4,728

12. Trade and other payables

The Group's trade and other receivable as of 30 September 2021 are set out as below:

(In US\$'000) Description	30 Sep 2021	31 Mar 2021
Trade payables	6,368	7,108
Accrued liabilities	2,081	1,896
Joint ventures	64	11
Deposits from customers	*	53
Deferred income	3	131
Others	40	18
	8,556	9,217

13. Share capital

	The Group and the Company			
	30 Sep 2021		31 Mar 2021	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
Beginning of interim period	316,996,792	60,067	302,996,792	59,862
Issue of ordinary shares by: -				
Exercise of share options	4,500,000 ^(b)	424	14,000,000	205
Share placements	57,878,333 ^(c)	1,306	-	-
End of interim period	379,375,125	61,797	316,996,792	60,067

(b) 4,500,000 shares under Performance Share Plan (PSP) announced by the Company on 13 June 2019 was issued and allotted on 8 April 2021.

(c) The Company entered into subscription agreements with various parties in June 2021 and has completed the allotment and issuance of the new shares on 1 September 2021. Announcements for subscription, share allotment and issuance has been released via SGXNet in June and September 2021 correspondingly.

The Company has also announced on 6 July 2021 the grant of Employee Share Option of 461,400 shares with exercise price of S\$0.130 per share via SGXNet.

The Company did not hold any treasury shares as of 30 September 2021 and 31 March 2021 and the Company's subsidiaries do not hold any shares in the Company as of 30 September 2021 and 31 March 2021.

14. Subsequent events

There are no know subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of SMI Vantage Limited and its subsidiaries as of 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

The Group's primary source of revenue, Travel Retail was not able to generate any meaningful revenue as the Yangon International Airport ("YIA") remain closed for the first half of the financial year. This closure was mandated by government regulations.

The Domestic retail stores were also heavily impacted by the frequent closure and/or limited operating hours and F&B operations were similarly impacted and additionally, by the prohibition of dine-in during most of this period.

As a consequence, group revenue declined to US\$0.2 million. Gross profit margin also decreased to 28% in 1H FY2022 as compared to 36% in 1H FY2021 as less revenue and therefore gross profit margin was generated by Retail as sales to the airport have not resumed.

Other items of income are mostly related to royalty, franchise income as well as consultancy fees charged to joint venture.

Selling & distribution costs decreased by 66.3%, or US\$330k due mainly to cost reductions made related to staffing levels and deployment in the F&B business reflecting reduced operating hours segments due to COVID-19 restrictions. There are virtually no logistic costs related to retail shipments.

General and Administrative Expenses excluding depreciation charges decreased by 38%, or US\$260k. Tight cost control measures has been in place since beginning of Covid-19. All costs have been subject to severe scrutiny and wherever possible elimination.

Depreciation charges in relation to CAPEX investment at YIA, amounting to US\$1.1 million forms part of the administrative expenses for both periods as no CAPEX usage fees were charged to the local business partner, Royal Golden Sky (RGS) for the use of the stores and restaurants at the airport.

Finance Costs represents interest cost on shareholders and bank borrowings and notional interest costs imputed on right-of-use asset and lease liabilities recognised on the leases contracted under its F&B franchise business and the Singapore office. The decrease of 18.5% in finance costs was due mainly to the reduction of interest paid for hire purchase under Auto Services segment as well as decrease in lease liability interest from F&B franchise business.

Exchange difference on translating foreign operations, net of tax mainly attributable to a net exchange gain from the revaluation of the Myanmar Kyat denominated loans due to the weakening of the Myanmar Kyat against US Dollars.

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

Discontinued operations - As previously announced, the group stopped operations in Tower, Car Rental and Mobile businesses in FY2021. The group further stopped Serviced Office business in July 2021.

(In US\$'000) Description	6 months ended	
	30 Sep 2021	30 Sep 2020
Revenue	22	211
Cost of Sales	(15)	(235)
Gross Profit	7	(24)
Other Items of Income		
Other Income	5	7
Other Gains	1	203
Other Items of Expenses		
Selling & Distribution Costs	(4)	(37)
Administrative Expenses	(24)	(75)
Finance Costs	5	(40)
Other Charges	(55)	(107)
Profit (Loss) Before Income Tax from Discontinued Operations	(65)	(73)
Income Tax Benefit	-	27
Profit (Loss) from Discontinued Operations, Net of Tax	(65)	(46)

(d) Other gain for 6 months ended 30 Sep 2020 includes loan forgiveness by non-controlling parties recognised upon the exit of the Tower business and the Serviced Office business.

(e). Comparative figures for the discontinued operations identified in FY2021 has been restated for FY2020

3. Review of the Group's Financial Positions

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

(In US\$'000) Description	The Group	
	As at 30 Sep 2021	As at 30 Sep 2020
Cash and bank balances	867	957
Bank overdraft	(3,288)	(4,584)
Restricted fixed bank deposits	20	-
	(2,441)	(3,627)

As at the end of the reporting period, the Group's cash and cash equivalents improved by **US\$1.2 million** from a deficit of US\$3.6 million as of 30 September 2020 to a deficit of US\$2.4 million as of 30 September 2021 due mainly to:

US\$1.3 million proceeds from issue of share capital in a share placement exercises as the Company announced in September 2021 offset by US\$0.2 million cashflow from operating activities mainly comprising US\$0.5 million operating cash out flows before movements in working capital, US\$0.7 million increase in trade and other payables.

Trade and other payables increased by US\$0.7 million as the group has been actively negotiating for longer payment terms with suppliers in 1H FY2022.

Very little movement in trade and other receivables reflecting an understanding on repayment schedules with the group's business partner at YIA and similar agreements with partners in the domestic market. The YIA has been closed since end-March 2020 and the partners has not been in a position to make any payments in the current period. However, they continue in business and have committed to re-commence payments upon reopening of YIA and recovery of a more sustainable level of business activities.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The impact the COVID 19 pandemic will continue to have a great impact on the Group's business for the rest of the financial year. The Yangon International Airport has been closed since March 2020. The reopening of the airport is not known at this point in time but is expected to be either Q4 FY2022 or Q1 FY2023 following the opening up of international travel in Asia, as well as Europe and the USA, which has taken place over the last few months.

As travel retail sales represents approximately 70% of the group's revenue, the Company has taken a prudent view as to when the reopening may occur and has put in place strong cost reduction measures including reduced salaries, unpaid leave provisions, and has embarked on extensive rent reduction and rent mitigation with its landlords.

SMI has completed a share placement of US\$1.3 million, by September 2021 and a share conversion of USD5 mil shareholder's loan from Mark Francis Bedingham was completed in October 2021. Both of these taken together have improved cash and strengthened the balance sheet.

SMI has announced the signing of a service and cooperation agreement with The9 Limited, a NASDAQ listed company, which will allow SMI to initiate its move into crypto currency mining business. Several promising locations have been identified in Southeast Asia. The announcements have made reference to an initial 800 – 1,200 machines to be installed with future projections rising up to 4,000 machines.

SMI continues to look for promising new businesses in the SaaS field as previously announced.

6. Dividend

- a. Current Financial Period Reported on
Any dividend recommended for the current financial period reported on?
No
- b. Corresponding Period of the Immediate Preceding Financial Year
Any dividend recommended for the corresponding period of the immediately preceding financial year?
No
- c. Date Payable
Not applicable
- d. Books Closure Date
Not applicable

7. Interested person transactions

The Group has obtained further US\$0.2 million shareholder's loan from Mr Mark Francis Bedingham on 1 April 2021 and 14 May 2021. Interest is accrued on indebtedness at the rate of 2.34% per annum which represents less than 3% of the last audited consolidated net tangible assets of the Company of approximately US\$14,364,000 as of 31 March 2020. The loans provided have been used for working capital as well as bank interest payments.

The total loan and interest accrued to the Group's shareholders are set as below:

(In US\$'000)	Loan Amount	Interest accrued	Total
Ho Kwok Wai	1,940	141	2,081
Mark Francis Bedingham	5,350	448	5,798*
Total	7,290	589	7,879

* The Group held EGM on 6 Oct 2021 and the board has approved a loan conversion (US\$5,050,582) to equity shares for Mark Francis Bedingham's loan to the Group and shares was issued and allotted on 12 October 2021 as announced via SGXNet.

SMI Vantage Limited
(Company Registration No. 200505764Z)
Condensed interim financial statements
For the six months ended 30 September 2021

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions

8. Use of proceeds

Pursuant to the June Subscription, the Company received gross proceeds from the placement of approximately US\$1.3 million. The utilisation of the gross proceeds from the placement as of 30 September 2021 is set out as below:

	Amount utilised US'000
Placement proceeds	1,305
Investment in crypto mining (including machines)	(150)
Payment for professional services in relation to the share placement and share conversion	(150)
Payment for operating expenses	(150)
Balance	855

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 September 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ho Kwok Wai
Chairman

Mark Francis Bedingham
Executive Director

BY ORDER OF THE BOARD

Mark Francis Bedingham
Executive Director
13 November 2021