

ANNUAL REPORT 2021



smi
VANTAGE

CORPORATE PROFILE

SMI Vantage Limited (“SMI” or “the Company”), is an investment and management company listed on the main board of the Singapore Stock Exchange. SMI was known as Singapore Myanmar Investco Limited with a focus on frontier markets, in particular Myanmar. On 7th October 2021, the Company changed its name to SMI Vantage Limited to reflect its new focus including technology-based SaaS services and other high-tech platforms. SMI adopts a diversified business model to enhance its long-term growth prospects and has a highly capable and experienced management team with a proven track record in building strong business partnerships and alliances internationally.

CONTENTS

- 1** Corporate Information
- 2** Our Business and Strategies
- 3** Chairman’s Statement
- 4** CEO’s Message
- 5** Board of Directors
- 7** Key Operational Managers
- 8** Financial Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ho Kwok Wai

Non-Executive Chairman and Non-Executive Director

Mark Francis Bedingham

Executive Director, President and Chief Executive Officer

Wong Yen Siang

Lead Independent Director

Fong Sing Chak Jack

Independent Director

Wee Sung Leng

Independent Director

AUDIT COMMITTEE

Wong Yen Siang

Chairman

Wee Sung Leng

Fong Sing Chak Jack

NOMINATING COMMITTEE

Wee Sung Leng

Chairman

Wong Yen Siang

Fong Sing Chak Jack

REMUNERATION COMMITTEE

Wee Sung Leng

Chairman

Wong Yen Siang

Fong Sing Chak Jack

COMPANY SECRETARIES

Lee Wei Hsiung

Wang Shin Lin, Adeline

COMPANY REGISTRATION NUMBER

200505764Z

REGISTERED OFFICE AND BUSINESS ADDRESS

300 Beach Road

#31-03 The Concourse

Singapore 199555

Tel: (65) 6718 6678

Fax: (65) 6391 9636

Website: www.sin-mi.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)

80 Robinson Road

#11-02

Singapore 068898

AUDITORS

RSM Chio Lim LLP

Public Accountants and Chartered Accountants
(a member of RSM International)

8 Wilkie Road #03-08

Wilkie Edge

Singapore 228095

Partner-In-Charge: **Lee Mong Sheong**

(effective from financial year ended 31 March 2019)

PRINCIPAL BANKERS

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

Kanbawza Bank Limited (KBZ Bank)

OUR BUSINESS AND STRATEGIES

TRAVEL & FASHION RETAIL

The airport has remained closed for the entire period of FY2021, with the exception of a few relief flights. As a consequence, Travel Retail sales have been negligible throughout this period. Sales in the domestic market have been strongly negatively impacted by COVID-19 related restrictions on operating hours as well as other security and safety related issues. As a consequence, our local business partners have focused on selling their current stock and SMI Retail has made almost no sales to those local business partners. Throughout this period, SMI Retail has been able to maintain stable relations with its suppliers and make payments in accordance with schedules agreed with those suppliers or return goods. SMI remains well positioned should the domestic environment improve and to resume sales at the time the airport reopens.

FOOD & BEVERAGE

SMI's F&B business both the restaurants and coffee shops as well as the trading business have been affected in a similar manner to that of SMI's Retail business. In the domestic market, the Crystal Jade and Ippudo restaurants have been closed as dine in has not been allowed for most of this period and the two Coffee Bean and Tea Leaf outlets have only been opened intermittently for take away service. The Coffee Bean and Tea Leaf cafes at the airport have remained closed and will reopen when the airport reopens. The outlets in the domestic market will continue to operate in line with government regulations.

LOGISTICS

SMI's joint venture with Senko has managed to operate throughout FY2021 and provide much needed services to its customers in challenging circumstances.

AUTO SERVICES

This business has been exited in 1H FY2021.

CONSTRUCTION SERVICES

No new delivery of machines was made in FY2021.

SERVICED OFFICES

The decision has been taken to exit this business and this was completed in 1H FY2022.

CHAIRMAN'S STATEMENT



Dear Shareholders,

SMI was severely impacted by the continuation of the pandemic for the entire financial year. The Travel Retail business was unable to operate as the airport was closed by the airport operator in conformity with prevailing government regulations. The businesses in the domestic market were also heavily impacted by restricted operating hours linked to both health and safety issues.

The management team led by CEO, Mark Bedingham has continued to implement very strong and robust cost control measures as well as liaising with our staff and our suppliers to achieve positive outcomes for nearly all of our stakeholders.

The business has continued to be refocused onto Retail, F&B and Logistics and the exit from the Auto Services and Serviced Office business has been successfully concluded.

The Company is well positioned to reopen its Travel Retail business which is expected to start to recover over the course of the next year or so and in addition, the Company has announced some exciting new business directions which we expect to be able to comment on at greater length in the future.

A Note of Thanks & Appreciation

We have made every effort to keep our employees safe and secure during this global health crisis and we are most appreciative of the sacrifices that they have made in support of the company during this difficult time.

Thank You!

CEO'S MESSAGE



Dear Shareholders,

FY2021 has clearly been a very challenging year for SMI, as all its businesses in Myanmar have been heavily affected by the closure of the airport throughout the year which has meant almost no sales from SMI Retail has been possible. Travel Retail sales have been our major business for the last several years. We have made every effort to support our local business partners and help them with the task of selling down their inventory. Only very limited operations have been possible for our F&B business in the domestic market. However, our SMI Senko Logistics business has continued to operate successfully throughout the year. We successfully exited our Auto Services business and plans put in place for exiting our Serviced Office business, completed subsequently in 1H FY2022. In the future, in Myanmar, we expect to focus on Travel Retail, Logistics and some F&B and domestic retail outlets.

Our focus has been on ensuring to the greatest possible extent, the health and safety of the people who work on our business in Myanmar and assisting them wherever possible.

We have continued to reduce costs right throughout the year and this will undoubtedly help to ensure that we are able to resume on a low-cost base at the time when the airport reopens and there is some recovery in consumer confidence in the domestic market.

Moving Ahead

We have used this time to develop plans for a new direction for the Company and these have been disclosed in several announcements that we have made over the last few months.

MARK BEDINGHAM

President and Chief Executive Officer

BOARD OF DIRECTORS



HO KWOK WAI

Mr. Ho was re-designated from Chairman of the Board and Executive Director of the Company to Non-Executive Chairman of the Board and Non-Executive Director on 23 January 2015. He is primarily responsible for spearheading the Group's corporate directions and strategies. Mr. Ho has more than 20 years of experience in the investment banking industry with a focus on mergers, acquisitions and capital raisings. He graduated from the Hong Kong Polytechnic University with a major in Management Accountancy.



MARK FRANCIS BEDINGHAM

Mr. Bedingham is our Executive Director, President and CEO and he was appointed on 23 January 2015. He is responsible for the Group's corporate plans, policies and business development as well as the general management of the Group's operations. He began his career with Jardine Matheson and held positions with various key divisions in Hong Kong, Malaysia and Japan before being appointed as a Director of Jardine Pacific. He joined LVMH Moët Hennessy Louis Vuitton S.A. ("Moët Hennessy"), based in Hong Kong, in the mid-1990s as the Regional Managing Director of Asia Pacific. Spearheading the development of Moët Hennessy's business in China, he succeeded in growing the Chinese market into Moët Hennessy's largest global market. During his tenure, he also led an expansion of new subsidiaries in emerging markets across South East Asia, as well as Australia and New Zealand. Under his management, the Asia Pacific region became the largest contributor to Moët Hennessy's global business activities. Mr. Bedingham has also served for nearly seven years on the board of DFS, the world's largest travel retailer and he is also a member of the Strategic Advisory Board of L Capital. During his time in Japan, he was appointed as a member of the Japanese Prime Minister's Administrative Reform Council and he was also elected as Chairman of the European Business Council in Japan. He graduated with a Master's degree in Agricultural and Forest Sciences from the School of Biological Sciences of Oxford University.

BOARD OF DIRECTORS



FONG SING CHAK JACK

Mr. Fong was redesignated as an Independent Director of our Group on 27 June 2016. He is currently the sole proprietor of Messrs. Jack Fong & Co., a law firm in Hong Kong and has more than 20 years of experience in legal practice. He holds a Bachelor of Law (Hons) Degree and a Post Graduate Certificate in Law from the University of Hong Kong. Mr. Fong is a Notary Public.



WONG YEN SIANG

Mr. Wong is an Independent Director of our Group and was appointed on 15 July 2005. He is the Lead Independent Director and Chairman of our Audit Committee. He holds a Bachelor of Commerce Degree from the Nanyang University in Singapore and he started his career with a local bank. In his 21 years with the bank, he worked in various areas of responsibilities covering credit and marketing functions before pursuing new commercial opportunities in the automobile and engineering industries.



WEE SUNG LENG

Mr. Wee is an Independent Director of our Group and was appointed on 6 November 2013. He chairs our Remuneration and Nominating Committees. With more than 18 years of experience in the finance and banking sector from credit & marketing, corporate banking and investment banking, Mr. Wee has been actively involved in the origination, due diligence and execution of corporate finance transactions such as initial public offerings, reverse take-overs, share placements and rights issues and has been involved as an independent financial advisor to listed companies in interested persons, delisting and general offer transactions. He holds a Bachelor of Accountancy Degree from the National University of Singapore.

KEY OPERATIONAL MANAGERS



**SATIHEESWARAN
SUBRAMANIAM**
Director, Retail Operations



**PHYTO LIN PAING,
COLIN**
Deputy General Manager
(F&B Trading)



KHIN THIDA SOE
General Manager
(F&B Franchise)



**NANG LAO
PHONG AWN**
Deputy General Manager
(Logistics, Auto Services)



TUN TUN LATT
Director, Corporate Affairs
and Government Relations



NAW MAY LYAN
Senior Manager, Human
Resources



VINETE
Group Financial Controller



**DR KHINE
THINZAR HTUN**
General Manager (SMI Retail)

FINANCIAL CONTENTS

9	Corporate Governance Report
28	Statement by Directors
32	Independent Auditor's Report
35	Consolidated Statement of Profit or Loss and Other Comprehensive Income
36	Statements of Financial Position
37	Statements of Changes in Equity
38	Consolidated Statement of Cash Flows
39	Notes to the Financial Statements
91	Statistics of Shareholdings
93	Notice of Annual General Meeting
102	Disclosure of Information on Directors Seeking Re-election
	Proxy Form



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of SMI Vantage Limited (“**SMI**” and together with its subsidiaries, the “**Group**”) is committed to comply with the principles and guidelines of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the “**Code**”). SMI believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders. This Corporate Governance Report sets out SMI’s corporate governance practices. The Board confirms that, for the financial year ended 31 March 2021 (“**FY2021**”), SMI has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the Code, SMI has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. SMI will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

A. BOARD MATTERS

Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Leadership and Control

The primary function of the Board is to provide effective leadership and direction to enhance the long term value of the Group to its shareholders and other stakeholders. The Board assumes responsibility for the Group’s overall strategic plans and performance objectives, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems and corporate governance practices. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

The Board oversees the business performance and affairs of the Group. The Board leads, directs and works closely with Management, to ensure alignment of interests of the Board and Management with that of the shareholders, so as to achieve the long-term sustainable success of the various businesses of the Group.

The Board has established a framework on authorisation and approval limits for capital and operating expenditure, as well as specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency.

Material items that require Board’s decision or approval include:

- corporate strategy and business plans;
- investment and divestment proposals;
- capital structure and funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of the Group CEO;
- announcement of interim and full-year financial reports and the annual report;
- material acquisitions and disposals of assets;
- all matters of strategic importance;
- corporate governance; and
- interested person transactions.

CORPORATE GOVERNANCE REPORT

Board Committees

The Board has constituted the following Board Committees to assist the Board in the discharge of its functions:

- the Audit Committee (“AC”);
- the Nominating Committee (“NC”); and
- the Remuneration Committee (“RC”).

The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this Corporate Governance Report. These Committees play an important role in ensuring good corporate governance in SMI and within the Group. The Board also delegates certain of its functions to these Committees, which would make recommendations to the Board. Each Board Committee is required to operate and make decisions on matters within its Terms of Reference which are reviewed on a regular basis to ensure their continued relevance. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board Meetings

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary to review the financial performance and to update the Board on significant business activities and overall business environment. Throughout the financial year, as and when deemed necessary by the Board, additional Board meetings may be convened to consider urgent proposals or matters that require the Board’s review and approval.

The Constitution of SMI (the “**Constitution**”) allows Board meetings to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or other communication facilities. When a physical Board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval. The Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

A summary of the number of Board and Board Committee meetings held in FY2021 and the attendance of the Directors at these meetings is set out in the table below:

Directors’ attendance at Board and board committee meetings during FY2021

Directors	Board Meetings	Board Committee Meetings			General Meeting
		AC	NC	RC	
Number of Meetings held	3	2	1	1	1
Ho Kwok Wai	3	n.a.	n.a.	n.a.	1
Fong Sing Chak Jack	3	2	1	1	1
Wong Yen Siang	3	2	1	1	1
Wee Sung Leng	3	2	1	1	1
Mark Francis Bedingham	3	n.a.	n.a.	n.a.	1

n.a. – not a member

Induction and training of Directors

The Directors understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

Briefings are conducted by Management for the newly-appointed Directors to familiarise with the Group’s business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. There are also orientation programs tailored to familiarise newly appointed Directors with the role and responsibilities of a Director of a public company in Singapore.

CORPORATE GOVERNANCE REPORT

Upon the appointment of a new Director, SMI would issue a formal letter of appointment setting out the statutory and other duties and obligations of the Director.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as SGX-ST and Singapore Institute of Directors (“SID”).

In addition, the Company Secretary and members of Senior Management also provide regular updates to the Directors during Board meetings and through emails on key legal, regulatory, industry and accounting changes which affect the Group. Such new releases issued which are relevant to the Directors are circulated to the Board.

The Board is provided with relevant information analysis by the management pertaining to matters to be brought before the Board for discussion and decision. Management also provides regular reports on the Group’s financial performance and operations to the Board. Board papers are sent to all directors in advance of the Board meetings. Senior managers who have prepared the papers, or who can provide additional insight on the matters to be discussed, are normally invited to present the paper or attend the Board meeting.

As a general rule, notices are sent to the Board at least one week in advance of Board meetings, followed by the Board papers, in order for the Board to be adequately prepared for the meetings.

The Directors are free to conduct independent or collective discussions with Management and the company secretaries. Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, at the Company’s expense, to enable them to discharge their duties. The appointment and the removal of the company secretaries is deliberated on by the Board as a whole. The company secretaries attend Board meetings and are responsible for, amongst other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. Where the company secretaries are unable to attend any Board meeting, they ensure that a suitable replacement is in attendance and that proper minutes of the same are taken and kept.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board size and board composition

The Board comprises five Directors, three of whom are Independent Directors. The Directors at the date of this report are as follows:-

Name of Directors	Board of Directors	Date of Appointment	Date of last re-election	AC	NC	RC	Present Directorship in other Listed Companies
Ho Kwok Wai	Non-Executive Director and Chairman	6 November 2013	31 July 2018	–	–	–	Nil
Mark Francis Bedingham	Executive Director, President and Chief Executive Officer	23 January 2015	27 October 2020	–	–	–	Nil
Wong Yen Siang	Lead Independent Director	15 July 2005	26 July 2019	Chairman	Member	Member	Nil
Wee Sung Leng	Independent Director	6 November 2013	26 July 2019	Member	Chairman	Chairman	Combine Will International Holdings Limited
Fong Sing Chak Jack	Independent Director	6 November 2013	27 October 2020	Member	Member	Member	Nil

CORPORATE GOVERNANCE REPORT

The Board, through the NC, annually examines its size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance of skills and experience. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The NC believes that, in consideration for the need for diversity, there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board; and no individual or small group of individuals dominates the Board's decision-making process. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

Although the Chairman is not independent, the Independent Directors of the Company make up majority of the Board; there are three Independent directors making up more than half of the Board, providing an independent element on the Board capable of exercising objective judgment; no individual or group is able to dominate the Board's decision making process. It is also noteworthy that given the scope and nature of the Group's operations, the Board is of the view that its current size of 5 is appropriate and conducive to facilitate effective decision-making. In this regard, the Board has also taken into account the complexity and requirement of the Group's businesses. The Directors' academic and professional qualifications are presented in pages 5 to 6 of the Annual Report.

Directors' independence review

The Board, taking into account the views of the NC, assesses the independence of each Director annually and as and when the circumstances require whether or not a director is independent, in accordance with the guidance in the Code. A Director who is independent in conduct, character and judgement, and has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 5% or more in the voting shares of SMI that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Group, is considered to be independent.

After taking into account the views of the NC, all the Directors on the Board are considered by the NC and the Board to be Independent Directors except the following:

Name of Directors	Reasons for non-independence
Ho Kwok Wai	Mr Ho Kwok Wai is deemed not independent as he holds more than 10% of SMI's voting shares.
Mark Francis Bedingham	As President and CEO of the Group, Mr Mark Francis Bedingham is employed by the Group and he holds more than 10% of SMI's voting shares.

The Board also recognises that independent directors may over time develop significant insights in the Group's businesses and operations and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these directors. Presently, Mr Wong Yen Siang has served on the Board for more than nine years from the date of his first appointment in 2005. The Board has subjected his independence to a particularly rigorous review.

Under Rule 210(5)(d) (iii) of the Listing Manual of the SGXST, which is effective from 1 January 2022, a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders and (b) shareholders excluding the Directors and the Chief Executive Officer of the company and their associates. Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director or (ii) the conclusion of the third annual general meeting of the Company following the passing of the resolutions.

By 1 January 2022, Mr Wong Yen Siang would have served the Board beyond nine years from the date of his first appointment on 15 July 2005. Accordingly, the approval of the shareholders of the Company via the two-tier voting process at the forthcoming annual general meeting of the Company will be required for the Relevant Directors to continue in office as Independent Director come 1 January 2022.

Taking into account the views of the NC, the Board concurs that Mr Wong Yen Siang continues to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of SMI. He has continued to express his individual viewpoints, debate issues and objectively scrutinise and challenge Management. He has sought clarification as he required, including through direct access to the Group's employees.

CORPORATE GOVERNANCE REPORT

Further, there was a significant change in the Board with the appointment of Mr Ho Kwok Wai as the Chairman in 2013 and Mr Mark Francis Bedingham as President and CEO in 2015. In addition, there has been significant change to the ownership of SMI and change in the businesses of the Group. After taking into account these factors, the Board had determined Mr Wong Yen Siang continues to be considered an Independent Director, notwithstanding he has served on the Board for more than nine years from the date of his appointment.

The Independent Directors make up more than half of the Board, which meets the requirements set out in the Code. This provides a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Role of the Non-Executive Director

Non-executive directors (“**NEDs**”) make up a majority of the Board. The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge Management on its assumptions and proposals is fundamental to good corporate governance. The Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

The Board, in particular the NEDs, must be kept well informed of the Group’s businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to Management. In addition, the NEDs meet as necessary to review and discuss matters such as board processes, corporate governance initiatives, succession planning, leadership development and other issues of concern. Where necessary or appropriate, the NEDs will meet without the presence of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and the CEO of the Company are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Chairman is Mr Ho Kwok Wai, who is a Non-Executive Director and unrelated to the CEO. He:

- ensures board meetings are held when necessary;
- sets the board meeting agenda with the assistance of the Company Secretary and in consultation with the CEO;
- ensures board members are provided with complete, adequate and timely information in compliance with the Code; and
- ensures effective communication within the Board and within the shareholders.

The Board has delegated the daily operations of the Group to the CEO who is Mr Mark Francis Bedingham. He:

- leads the Management team;
- formulates the Group’s strategic directions and expansion plans;
- executes the strategic plan;
- reviews the performance of its existing businesses;
- manage the Group’s overall business development to achieve the goal set out by the Board; and
- ensures the Directors are kept updated and informed of the Group’s businesses.

CORPORATE GOVERNANCE REPORT

The Board has a Lead Independent Director to provide leadership in situations where the Non-Executive Chairman is conflicted. The Lead Independent Director also provides feedback to the Non-Executive Chairman after meetings of independent Directors. Mr Wong Yen Siang is the Lead Independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Non-Executive Chairman or the Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (NC Chairman)
2. Mr Wong Yen Siang
3. Mr Fong Sing Chak Jack

The Lead Independent Director, Mr Wong Yen Siang is a member of the NC.

The Board established the NC to lead and facilitate the selection, appointment and re-appointment of Directors to the Board with written terms of reference that clearly set out its authority and duties.

Key responsibilities include:

- review and recommend the nominations for the appointment or re-appointment of Directors (including alternate director, if any) having regard to the composition and progressive renewal of the Board, each Director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations;
- review the Board structure, size and composition having regards to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of SMI, the core competencies of the Directors as a group and make recommendations to the Board with regards to any adjustments that may be deemed necessary;
- review board succession plan for Directors, in particular for the Chairman of the Board, the CEO and key management personnel;
- determine on an annual basis whether or not a Director is independent;
- assess the performance of the Board and contribution of each Director to the effectiveness of the Board as a whole; and
- recommend to the Board comprehensive induction training programmes for new directors and reviews training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

Directors' independence review

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually and as and when circumstances require. It has used its best efforts to ensure that Directors appointed to the Board possess the experience and knowledge, business, finance and management skills necessary to our businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Each Independent Director is required to complete a Director's Independence Checklist ("**Checklist**") to confirm his independence annually. The Checklist is drawn up based on the guidelines provided in the Code.

CORPORATE GOVERNANCE REPORT

Each Independent Director must also confirm in the Checklist whether he considers himself independent despite not having any relationships identified in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assess the independence of the Directors and recommends its assessment to the Board.

The Board, after taking into account the views of the NC, determined that with the exception of Mr Mark Francis Bedingham and Mr Ho Kwok Wai, all the other three NEDs are independent.

Directors' time commitments and multiple directorships

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The Board does not prescribe a maximum number of listed company board representatives which any director with multiple board representations may hold and in lieu wishes to review the matter on a case by case basis taking into account the ability and performance of each director in his performance and discharge of duties and responsibilities.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of SMI. Such other listed company directorships and principal commitments of each Director are disclosed in the table under "Principle 2" on page 11.

The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board, in making this determination.

The NC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of SMI and have properly discharged their duties for FY2021 and will continue to do so in FY2022. The NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of SMI.

Process for selection and appointment of new Directors

The NC has put in place a formal process for the selection of new Directors to increase transparency of the nomination process in identifying and evaluating nominees for Directors of SMI. The NC leads the process as follows:

- NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and the key attributes that an incoming Director should have.
- After endorsement by the Board of the key attributes, the NC taps on the resources of Directors' personal contacts and recommendations of the potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed in the search process.
- NC meets with the shortlisted candidate to assess suitability and to ensure that the candidate is aware of the expectations and the level of commitment required.
- NC recommends the most suitable candidate to the Board for appointment as Director. They are appointed by way of Board resolutions of SMI.

Process for re-appointment of Directors

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

All Directors submit themselves for re-nomination and re-appointment as regular intervals of at least once every three years. Article 91 of SMI's Constitution provides that one third of the Directors shall retire from office by rotation and be subject to re-appointment at SMI's annual general meeting ("**AGM**").

In addition, Article 97 of SMI's Constitution provides that a newly appointed Director during the financial year must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years.

CORPORATE GOVERNANCE REPORT

New Directors of the Company and the Group are appointed by way of Board resolutions of the respective companies, after the NC makes necessary recommendations to the Board. According to the Articles, such new Directors of the Company shall submit themselves for re-election at the AGM of the Company.

The NC has reviewed and recommended the re-election of the following Directors who will be retiring pursuant to SMI's Constitution at the forthcoming AGM to be held on 15 December 2021:

- Mr Ho Kwok Wai (retiring pursuant to Article 91)
- Mr Wong Yen Siang (retiring pursuant to Article 91)

The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election at the forthcoming AGM.

The NC also assessed and reviewed the independence of the Independent Directors, namely Mr Wee Sung Leng and Mr Fong Sing Chak Jack based on the guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Mr Wee Sung Leng and Mr Fong Sing Chak Jack remain independent.

The information relating to the date of last election of the Directors are set out in the table under "Principle 2" on page 11.

Key information regarding the Directors are set out under section of "Board of Directors" on pages 5 to 6 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

The Board has implemented a process carried out by the NC for assessing the performance and effectiveness of the Board as a whole, its board committees and the contribution of each Director to the effectiveness of the Board on an annual basis.

During FY2021, the Board engaged the Company Secretary to facilitate the evaluation of the Board and Board Committees, as well as the contributions by each Director.

The Board believes that such arrangement not only encourages Directors to be more candid in their evaluation of the Board performance but also enhances the objectivity and transparency of the evaluation process.

Board evaluation process

The NC Chairman, in conjunction with the Chairman of the Board, conducts an annual assessment of the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director. There are three components to this assessment:

- a. Self-assessment;
- b. Board assessment; and
- c. Peer evaluations.

The performance evaluation process begins with an annual meeting between the NC Chairman and SMI's Company Secretary on the evaluation framework to ensure that areas of particular interest and key issues are focused on.

The Company Secretary sends out a customised Board Evaluation Questionnaire ("**Questionnaire**") to each Director for completion. Each Director is required to complete the Questionnaire and send it directly to the Company Secretary. Based on the returns from each of the Directors, the Company Secretary prepares a consolidated report and briefs the NC Chairman and the Chairman of the Board on the report. Thereafter, the Company Secretary presents the report for discussion at a meeting with all the Directors, chaired by the NC Chairman. The NC Chairman then holds a discussion with all Directors to agree on future action plans.

CORPORATE GOVERNANCE REPORT

Individual Director Evaluation

The performance of individual Directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new Directors and review of the Board's performance is carried out collectively by the Board on an annual basis. For Board assessment, it is based on factors such as the Board's structure, size, conduct of meetings, corporate strategy and planning, risk management and internal controls, measuring and monitoring performance and financial reporting. In the case of individual assessments, each Director is evaluated based on factors which include the Director's attendance, adequacy of preparation for meetings, participation in discussions as well as industry and business knowledge.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (RC Chairman)
2. Mr Wong Yen Siang
3. Mr Fong Sing Chak Jack

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive and thereby maximise shareholder value.

The functions of the RC include:

- review and recommend to the Board a framework of remuneration for the Directors and key management personnel.
- review and recommend to the Board the specific remuneration packages for the Executive Director(s) of SMI, of which a significant portion of the Executive Director's remuneration is structured to link rewards to corporate and individual performance.
- review all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind.
- review the level and mix of remuneration and benefits policies and practices of SMI, including the long-term incentive schemes on an annual basis. The performance of SMI and that of the Executive Director(s) would be considered by the RC in undertaking such reviews.
- implement and administer the share and other incentive scheme(s) adopted by the Group.
- review the Group's obligations arising in the event of termination of the Executive Director's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to them.

The RC has the authority to seek any external professional advice on matters relating to remuneration of Directors as and when the need arises.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating the Directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term. The Group's compensation framework comprises of fixed pay, short term and long term incentives. The Group subscribes to linking Executive Directors' and key management personnel's remuneration to corporate and individual performance, based on an annual appraisal. The level and structure of remuneration of Executive Directors and key management personnel are aligned with the long term interest and risk policies of SMI.

NEDs receive director fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the NEDs, without over-compensating them as to compromise their independence.

The details are set out under Principle 9 below.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level of mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long term compensation and between cash versus equity incentive compensation.

Directors' Remuneration

For the period under review, the Executive Director's remuneration package includes:

- fixed remuneration
- other benefits
- share-based incentives

It is based on a service agreement entered into between SMI and the Executive Director for a period of three (3) to five (5) years and subject to automatic renewal for subsequent periods of three (3) years unless earlier terminated. Executive Director does not receive Director's Fees.

At the moment, SMI does not use any contractual provisions to reclaim incentive components of the remuneration from the Executive Director in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group. The Executive Director owes a fiduciary duty to SMI and SMI should be able to avail itself to remedy against the Executive Director in the event of such breach of fiduciary duties. The RC will consider, if required, whether there is a requirement to institute such a contractual provision.

NEDs, including the Chairman, are paid Directors' fees, subject to the approval of shareholders at the AGM. The Directors' Fees, determined by the Board, are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors such that the independence of the NEDs is not compromised by their compensation.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

For the financial year under review, the RC had recommended to the Board, total Directors' Fees of S\$160,000 for the NEDs, which will be tabled by the Board at the forthcoming AGM for shareholders' approval.

CORPORATE GOVERNANCE REPORT

The Board has not included a separate annual remuneration report in its annual report for the current year as it is of the view that the matters, which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and the financial statements of SMI.

A breakdown, showing the level and mix of each individual Director's remuneration payable for FY2021 is as follows:

Name of Director	Fixed Salary	Fees ¹	Benefits in kind	Share-based incentives	Total
S\$500,000 to S\$750,000					
Mark Francis Bedingham	–	–	8%	92%	100%
Below S\$250,000					
Ho Kwok Wai	–	100%	–	–	100%
Fong Sing Chak Jack	–	100%	–	–	100%
Wong Yen Siang	–	100%	–	–	100%
Wee Sung Leng	–	100%	–	–	100%

¹ Subject to approval by shareholders as a lump sum at the AGM for the financial year ended 31 March 2021.

Remuneration of Key Management Personnel

SMI adopts a remuneration policy for staff comprising a fixed component, a variable component and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is aligned to SMI's and individual performance. The other benefits include housing and car benefits.

The remuneration paid to or accrued to the top three key management personnel (who are not Directors or the CEO) for FY2021 is as follows:

Name of Key Executives	Fixed Salary	Bonus	Benefits in kind	Share-based incentives	Total
S\$150,000 to S\$300,000					
Cher Soon Eng Lucy	100%	–	–	–	100%
Shuji Hotta	83%	–	17%	–	100%
John Anthony Pike	100%	–	–	–	100%

The annual aggregate remuneration paid to the top three key management personnel of SMI (excluding the CEO) for FY2021 is US\$223,724. The RC approves the bonus for distribution to staff based on individual contributions as well as the financial performance and commercial needs of the Group and has ensured they are adequately but not excessively remunerated.

The remuneration of each individual Director and key management personnel is not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

No employee of the Group was a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 per annum during this financial year.

CORPORATE GOVERNANCE REPORT

Share-based Incentive Plan

There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

The SMI Performance Share Plan (“PSP”) was adopted at an Extraordinary General Meeting on 30 July 2014. The SMI PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by the Directors.

In addition, the SMI Share Option Scheme (“SMI ESOS”) was approved and adopted at the EGM of SMI held on 25 July 2017. The key objective of the SMI ESOS is to motivate Group’s key management personnel to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Group.

Further details on these incentives can be found in the Notes to the Financial Statements.

Remuneration for the Executive Director and key management personnel in the form of salaries, SMI PSP, SMI ESOS and bonuses are based on corporate and individual performance with emphasis on long term profitability, revenue growth and sustainability of the Company.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible in overseeing the risk governance in the Group to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders’ interests and the Group’s assets. It also determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation. The Board has delegated such tasks to the AC.

Based on the audit reports and management controls in place, the Board and AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The Board has received assurance from:

- (i) the CEO and Group Financial Controller in relation to the financial information and controls for the year, including the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2021 give a true and fair view of SMI’s operations and finances; and
- (ii) the CEO and other key management personnel are responsible, regarding the adequacy and effectiveness of SMI’s risk management and internal control systems.

Based on the internal controls established and maintained by SMI, work performed by the internal and external auditors and regular reviews performed by Management. In view of the very limited business activities in both Singapore and Myanmar and the inability to travel to Myanmar due to the Covid19 pandemic and the uncertain political situation, no new IA activities were carried out in FY2021. However, as the internal control system continued in FY2021, the Board and relevant Board Committees, the Board and AC are of the opinion that the Group’s risk management and internal control systems were adequate and effective as at 31 March 2021 to address financial, operational, compliance and information technology risks which SMI considers relevant and material to its operations. This is also supported by the assurance statement from the CEO and Group Financial Controller.

The Board and AC notes that the risk management and internal control systems of the Group provide reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that there is no risk management system and internal controls that can provide absolute assurance in this regards or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively,

The AC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wong Yen Siang (AC Chairman)
2. Mr Wee Sung Leng
3. Mr Fong Sing Chak Jack

The AC members are appropriately qualified to discharge their responsibilities and collectively have strong accounting and related financial and legal management expertise and experience. None of the AC members is a former partner or director of the Group's existing auditing firm or auditing corporation.

The AC performs the functions as set out in the Code including the following:

- review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and Management's response;
- review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- review the internal control and procedures and ensure co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors to discuss problems and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
- review the adequacy and effectiveness of SMI's risk management and internal control systems (including financial, operations, compliance and information technology controls) and to report to the Board annually;
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have material impact on SMI's operating results or financial position and our Management's response;
- consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- review potential conflicts of interest, if any;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring attention of AC; and
- generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation from Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings and to require Management to provide it with reasonable resources to enable it to discharge its functions properly.

The AC meets with the external auditors, at least once a year, without the presence of Management. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the SGX Listing Manual.

Half-yearly financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

CORPORATE GOVERNANCE REPORT

During the financial year, the AC reviewed the half-yearly financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of SMI's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them and potential interested person transactions. It also reviewed the scope, results and effectiveness of the internal and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complains are reviewed by the AC.

Significant matters that were discussed with Management and the external auditors have been included as key audit matters ("**KAMs**") in the independent auditors' report for the financial year ended 31 March 2021, as set out on pages 32 to 34 of this Annual Report.

The AC, considering the report from the external auditors, including their findings and views on the key areas of audit focus, concluded that SMI's accounting treatment and estimates in each of the KAMs were appropriate.

External Auditors

The AC has conducted an annual review of the performance of the external auditor and the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independency and objectivity of the external auditors, before confirming their re-nomination.

The aggregate amount of fees paid or payable to the external auditors of the Group, broken down into audit and non-audit services for the financial year ended 31 March 2021 are as follows:

- Audit fees: US\$58,303.27
- Non-audit fees: US\$2,239.52

The Company's external auditors, RSM Chio Lim LLP was last re-appointed as external auditors of the Company at the Company's AGM held on 27 October 2020, and will hold office until the conclusion of the Company's forthcoming AGM to be held on 15 December 2021. RSM Chio Lim LLP will not be seeking re-appointment as external auditors of the Company. Company is in the process of identifying and securing the necessary regulatory approvals for the appointment of new auditors. Shareholders' approval for the appointment of incoming external auditors of the Company will be sought at an Extraordinary General Meeting of the Company, the details of which will be made known to shareholders in due course.

SMI engages suitable independent auditors to audit its foreign incorporated subsidiaries and joint ventures, as disclosed in Note 17 and 18 to the financial statements in this annual report which have been cleared by SMI's external auditors. The Board and AC have reviewed and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of SMI.

SMI confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the SGX Listing Manual.

Internal Audit

SMI engaged Baker Tilly Consultancy (Singapore) Pte Ltd ("**Baker Tilly**") to develop a comprehensive set of group policies and procedures ("**Group policies**") in November 2016. The AC reviewed and approved the Group policies as well as appointed Baker Tilly to be the internal auditor ("**IA**") in May 2017.

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of SMI to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Company complies with the relevant laws, regulations and policies established by the SMI.

The IA have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The internal audit function has appropriate standing within the Company. The AC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing to perform its functions effectively.

CORPORATE GOVERNANCE REPORT

In view of the very limited business activities in both Singapore and Myanmar and the inability to travel to Myanmar due to Covid19 pandemic and the uncertain political situation, no new IA activities were carried out in FY2021. However, as the internal control system continued in FY2021, the Board and relevant Board Committees, the Board and AC are of the opinion that the Group's risk management and internal control systems were adequate and effective as at 31 March 2021 to address financial, operational, compliance and information technology risks which SMI considers relevant and material to its operations.

Whistleblowing Policy

The Group also has a Whistleblowing Policy to allow staff to raise concerns or observations in confidence to SMI about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Whistleblowing Policy encourages staff to identify themselves whenever possible to facilitate investigations but will also consider anonymous complaints, in certain circumstances. It makes available to staff the contact details of the Receiving Officer who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholders Rights and Responsibilities

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

SMI respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. SMI keeps all of its shareholders sufficiently informed of its corporate affairs and activities, including any changes to SMI or its business which may materially affect the price or value of SMI shares on a timely basis.

All new material price-sensitive information is disclosed on an adequate, accurate and timely basis via SGXNET, which are also posted on the SMI Investor Relation ("IR") website. SMI recognises that the release of timely and relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting. These notices are published in the local newspaper and posted onto SGXNET and SMI IR website. These notices are also contained in annual reports or circulars which are sent to all shareholders.

All shareholders are entitled to attend and vote at general meetings, afforded the opportunity to participate effectively in the general meetings and informed of the rules governing general meetings of shareholders. The Constitution of the Company allows each shareholder to appoint up to two proxies to attend, speak and vote in their place at general meetings. SMI does not provide for absentia voting methods such as by mail, email or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

Pursuant to the Companies (Amendment) Act 2014, a shareholder who is a "relevant intermediary", is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50.

At general meetings of shareholders, each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as, where applicable, adoption of Audited Financial Statements together with Directors' Statements and Independent Auditors' Report, remuneration of directors, re-election of directors, change of auditors and assignment of authority to the directors to fix their remuneration and authorisation to issue additional shares. Votes cast for and against and the respective percentages on each resolution will be displayed to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNET. Each share is entitled to one vote. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

CORPORATE GOVERNANCE REPORT

All Directors, including the Chairmen of the AC, NC and RC and senior Management, are in attendance at the general meetings of shareholders to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Group. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held within four months after the close of the financial year.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

SMI does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts include the Group's profit growth, level of cash available, projected levels of capital expenditure and investment plans and any other factors as the Board may deem appropriate.

No dividend was paid for the financial year ended 31 March 2021 as the Group reported a net operating loss for the year.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

SMI protects and facilitates the exercise of shareholders' rights. In addition to the matters mentioned above in relation to "Access to Information", there are regular, effective and non-discriminatory communications between shareholders and Management who will receive and attend to their queries and concerns.

SMI provides regular and timely information to the investment community regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information. In addition to shareholders' meetings, the CEO meet with investors, analysts and the media, as well as participate in industry conferences to solicit and understand the views of the investment community. The CEO also travelled widely for non-deal roadshows to meet investors across countries. Such meetings provide useful platforms for the CEO to engage with investors and analysts.

SMI has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Apart from SGXNET, announcements and the annual report, the SMI IR website at sin-mi.listedcompany.com, which is regularly updated, is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials as well as other corporate information relating to the Group. However, new material price-sensitive information such as financial results are released via SGXNET before being posted on the SMI IR website or before any media or analyst conferences are conducted. This ensures fair and non-selective disclosure of information to all shareholders.

Shareholders may direct their queries and concerns to SMI at the contact particulars given at the SMI IR website.

MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has put in place practices (including the maintenance of a current corporate website) that enable regular communication and engagement with stakeholders, so as to understand and address their needs and interests.

Formal materiality assessment exercises with internal and external stakeholders were also conducted from FY2018/2019 to FY2020/2021 to identify environment, social and governance (ESG) topics that matter to them. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

In line with the SGX listing rules, SMI has in place a policy and guidelines on dealings in the Company's securities, which have been disseminated to employees of the Group and Directors of the companies within the Group.

Directors and officers of the Group should not deal in the Company's securities during the periods commencing two weeks before the announcement of the Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Group's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the Group's half year and full year financial statements (if the Company does not announce its quarterly financial statements), or if they are in possession of unpublished price-sensitive information on the Group. The Company refrains from purchasing its shares during these periods and at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. Directors and officers are also required to comply with insider trading laws at all times even when dealing in the Company's securities outside the prohibited trading period. They are also discourage trading on short-term considerations.

The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in the Company's securities.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, SMI confirms that except as disclosed below in the Interested Person Transactions Section, and in the Directors' Statement and Financial Statements, there were no other material contracts and loans of SMI and the Group involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTION

SMI has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of SMI and its minority Shareholders.

SMI has not obtained a general mandate from shareholders for interested person transactions ("IPTs").

The aggregate value of interested person transactions ("IPTs") during the reporting year was as follows:

Name of interested person	Aggregate value of all interested person transactions conducted during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2021	FY2020	FY2021	FY2020
Loan from Director and interest accrued thereon - Ho Kwok Wai	US\$2,057,557.74	US\$1,623,844.32	-	-
Loan from Director and interest accrued thereon - Mark Francis Bedingham	US\$5,739,719.76	US\$5,413,788.50	-	-

CORPORATE GOVERNANCE REPORT

Mr Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of SMI who holds 32.10% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting year, Mr Ho Kwok Wai has granted the following loans to SMI:

Date of Loan Agreement	Loan Amount (US\$)	Interest Rate	Tenure
8 January 2018	2,000,000 ¹	2.34% per annum	Repayable twenty-four months from the date of first disbursement upon giving seven days' notice by Mr Ho Kwok Wai to SMI

Note:

¹ US\$1,940,000 has been disbursed with remaining US\$60,000 available for disbursement as and when needed by SMI.

Mr Mark Francis Bedingham is the Executive Director, President and CEO and shareholder of SMI who holds 34.25% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting period, Mr Mark Francis Bedingham has granted the following loans to SMI, all of which have been fully disbursed and remain outstanding.

CORPORATE GOVERNANCE REPORT

Date of Loan Agreement	Loan Amount (US\$)	Interest Rate	Tenure
28 September 2016	200,000	2.34% per annum	Repayable two months from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
20 April 2017	500,000		Repayable two months from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
17 July 2017	500,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
16 August 2017	300,000		Repayable 1 month from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
11 December 2017	1,000,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
16 March 2018	500,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
17 April 2018	250,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
15 May 2018	500,000		Repayable 1 year from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
3 July 2018	750,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
14 August 2018	200,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
10 September 2018	150,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
11 October 2018	300,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
1 April 2021	100,000		Repayable two months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
14 May 2021	100,000		Repayable two months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI

The interest rate for the loan was agreed between the parties having regard to the applicable interest rate of 2.34% charged by United Overseas Bank Limited, being SMI's main banker, for a two-year working capital loan. The loan is unsecured.

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2021.

Before 7 October 2021, the company was known as Singapore Myanmar Investco Limited, which was changed to its present name, SMI Vantage Limited.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Ho Kwok Wai
Mark Francis Bedingham
Fong Sing Chak Jack
Wong Yen Siang
Wee Sung Leng

3. Directors' interests in shares or debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year	At 21 April 2021
The company	Number of shares of no par value		
Ho Kwok Wai	164,749,871	164,749,871	164,749,871
Mark Francis Bedingham	24,508,321	38,508,321	43,008,321
Fong Sing Chak Jack	1,000,000	1,000,000	1,000,000
The company	Number of shares award but not issued yet		
Mark Francis Bedingham	18,500,000	4,500,000	–

The directors' interests as at 21 April 2021 were the same as those at the end of reporting year except that 4,500,000 shares were issued to Mark Francis Bedingham on 8 April 2021 as described in paragraph 5 below.

A further 132,910,062 shares were issued to Mark Francis Bedingham by way of a capitalisation of shareholder's loan, following the approval by shareholders at the Extraordinary General Meeting held on 6 October 2021.

By virtue of section 7 of the Act, Ho Kwok Wai and Mark Francis Bedingham with interest are deemed to have an interest in all the related body corporates of the company.

STATEMENT BY DIRECTORS

4. Arrangements to enable directors to acquire benefits by means of the acquisition shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except for the options rights and other rights mentioned below.

5. Employee share option scheme and performance share plan

Singapore Myanmar Investco Limited Employee Share Option Scheme

During the reporting year, no option to take up unissued shares of the company or any corporation in the group was granted except as follows:

The company has an employee share option scheme known as the “Singapore Myanmar Investco Limited Employee Share Option Scheme” (“SMI ESOS”).

The SMI ESOS was approved and adopted at the Extraordinary General Meeting (“EGM”) of the company held on 25 July 2017.

The SMI ESOS is established for the benefit of all personnel in the key management team and its objectives are as follows:

- (a) to incentivize all participants;
- (b) to motivate participants to optimise performance, efficiency and productivity;
- (c) to reward and retain key participants whose contributions are important to the long-term prospect and profitability of the group;
- (d) to promote a sense of loyalty amongst the participants to further the growth of the group; and
- (e) to align the interests of the participants with the interests of the shareholders.

Subject to the absolute discretion of the Remuneration Committee (“RC”), key employees shall be eligible to participate in the SMI ESOS, provided that as of the offer date such key employees:

- (a) have attained the age of 21 years;
- (b) are not undischarged bankrupts;
- (c) in the opinion of the committee, have contributed or will contribute to the success and development of the group;
- (d) must hold such position as may be designated by the company from time to time; and
- (e) must have their eligibility confirmed by the company as at each proposed date of grant as determined by the committee.

Key employees who are controlling shareholders or their associates shall not participate in the SMI ESOS, unless:

- (a) such participation is approved by independent shareholders and that a separate resolution is and will be passed to approve the participation of each such person and further that the resolution will approve the actual number and terms of options to be granted to that participant;
- (b) the actual number and terms of any option to be granted to them have been specifically approved by shareholders who are not beneficiaries of the SMI ESOS in a general meeting in separate resolutions for each such controlling shareholder or his associates; and

STATEMENT BY DIRECTORS

5. Employee share option scheme and performance share plan (cont'd)

Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

- (c) all conditions for their participation in the SMI ESOS as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regards, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of SMI shares available to controlling shareholders and their associates must not exceed 25% of the SMI shares available under the SMI ESOS; and (2) the number of SMI shares available to each controlling shareholder or his associates must not exceed 10% of the SMI shares available under the SMI ESOS.

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	Grant date	Exercise period	Number of options at 31 March	
			2021 '000	2020 '000
S\$0.46	4 October 2017	From 4 October 2019 to 3 October 2022	437	437
S\$0.29	8 June 2018	From 7 June 2020 to 7 June 2023	380	380
S\$0.13	13 June 2020	From 13 June 2019 to 12 June 2021	575	575
Balance at end of the year			1,392	1,392

During the reporting year, there were no shares of the company issued by virtue of the exercise of an option under the SMI ESOS to take up unissued shares.

Subsequent to the end of the reporting year, 461,400 options were granted under the SMI ESOS on 7 July 2021. These options have an exercise price of S\$0.13 per share, shall only be exercisable after 12 months from the date of grant and shall be exercised before the third anniversary of the date of grant.

Singapore Myanmar Investco Limited Performance Share Plan

The Singapore Myanmar Investco Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by directors.

On 13 June 2019, the company granted 4,500,000 share award under the PSP to Mark Francis Bedingham, a director of the company. The share award has a vesting period of 24 months from 1 April 2019. 4,500,000 shares were issued to the director subsequent to the end of reporting year on 8 April 2021.

On 27 March 2020, the company granted a further 14,000,000 share award under the PSP to Mark Francis Bedingham. The share award has no vesting period. The 14,000,000 shares were issued pursuant to the PSP during the current reporting year.

6. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Wong Yen Siang (Chairman)
Wee Sung Leng
Fong Sing Chak Jack

STATEMENT BY DIRECTORS

6. Report of audit committee (cont'd)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

7. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by external auditors, and reviews performed by management, other committees of the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational, compliance risks, are adequate as at the end of the reporting year 31 March 2021.

8. Subsequent developments

There are no significant developments subsequent to the release of the group and the company's preliminary financial statements, as announced on 15 September 2021, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Ho Kwok Wai
Director

Mark Francis Bedingham
Director

30 November 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of SMI Vantage Limited
(Formerly known as Singapore Myanmar Investco Limited)

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the accompanying financial statements of SMI Vantage Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and statement of financial position of the company as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and the statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the group group for the reporting year ended 31 March 2021 or the statement of financial position and the statement of changes in equity of the company as at 31 March 2021. Because of the significance of the matters described in the "Bases for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Bases for disclaimer of opinion

(i) Trade receivables

As at 31 March 2021, the group had trade receivables of US\$23.9 million as disclosed in Note 19 to the financial statements. Approximately 97% of the net trade receivables are due from the group's major distributors and an associate in Myanmar. The estimated credit loss allowance is based on the historical and forward looking trends of the receivables from these distributors and associate, which includes analysis of the age of these receivables, credit worthiness of the distributors and associate and future collectability. The management of the group worked with the distributors and associate to derive the cash flow projections of the distributors and associate to determine the ability of the distributors and associate to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the distributors and associate (assisted by the group's management) based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using discount rates for the projections. These estimates require a degree of estimation and judgement, and involve assumptions that are subject to significant uncertainties. The expected credit loss allowance is based on the lifetime expected credit loss.

We discussed with management the process over the determination of the recoverability of outstanding trade receivables. We obtained an understanding of the respective distributors' and associate's business models and business environment in which these distributors and associate operate in Myanmar, including confirmation from the distributors and associate on the outstanding trade receivable balances at the end of reporting year. The audit team was supported by our in-house valuation specialists to assess the mathematical accuracies in applying the assumptions, factors and inputs used for the projections.

However due to the significant uncertainties surrounding the nature of the assumptions and estimates as a result of the current Covid-19 pandemic and political situation in Myanmar, we were unable to obtain sufficient appropriate evidence to independently substantiate and verify these assumptions and estimates. As a result, we were unable to determine whether the carrying amounts of the group's trade receivables as at 31 March 2021 are fairly stated.

(ii) Non-financial assets

As at 31 March 2021, the group and the company had the following non-financial assets:

- Plant and equipment with carrying values of US\$7.6 million and US\$0.5 million at the group and company levels respectively as disclosed in Note 14 to the financial statements;
- Right-of-use assets with carrying values of US\$0.9 million and US\$0.2 million at the group and company levels respectively as disclosed in Note 14A to the financial statements;
- Investments in jointly controlled entities with carrying values of US\$0.8 million and US\$0.9 million at the group and company levels respectively as disclosed in Note 18 to the financial statements;
- Intangible assets with carrying value of US\$0.1 million at the group level as disclosed in Note 15 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of SMI Vantage Limited
(Formerly known as Singapore Myanmar Investco Limited)

Bases for disclaimer of opinion (cont'd)

(ii) Non-financial assets (cont'd)

An impairment review is performed when there are indications of impairment. Management used the value-in-use method to determine the respective recoverable amounts of the above non-financial assets. The value-in-use calculation requires management to estimate the future cash flows expected to arise from each cash generating unit ("CGU") as well as a suitable discount rate in order to calculate present value of the recoverable amount of each CGU. In estimating the future cash flows of each CGU, management forecasted the revenue, growth rates and margins based on presently available information.

We discussed with management the process over the determination of various estimates such as forecasted revenues, growth rates, profit margins, tax rates and discount rates. We assessed management's estimates applied in the value-in-use calculation based on our knowledge of each CGU's operations, and compared them against historical forecasts and performance. The audit team was supported by our in-house valuation specialists to assess the mathematical accuracy in management's methodology, estimates and the discount rate used in the impairment assessment. However due to the significant uncertainties surrounding the nature of the assumptions and estimates, as a result of the current Covid-19 pandemic and political situation in Myanmar, we were unable to obtain sufficient appropriate evidence to independently substantiate and verify these assumptions and estimates. As a result, we were unable to determine whether the carrying amounts of the above non-financial assets as at 31 March 2021 are fairly stated.

(iii) Receivables from subsidiaries, associates and joint ventures

As at 31 March 2021, the company's receivables from subsidiaries, associates and joint ventures totalled US\$22.2 million as disclosed in Note 19 to the financial statements. For the non-performing subsidiaries, associates and joint ventures, or if they have significant negative equity balances, management has prepared profit forecasts to determine the value-in-use in assessing the allowance for expected credit loss based on lifetime expected credit loss.

We reviewed and challenged the assumptions and estimations used by management and have also discussed with management on the prospects and future plans of these subsidiaries. We have also assessed the mathematical accuracies in applying the assumptions, factors and inputs used for the projections.

However due to the significant uncertainties surrounding the nature of the assumptions and estimates, as a result of the current Covid-19 pandemic and political situation in Myanmar, we were unable to obtain sufficient appropriate evidence to independently substantiate and verify these assumptions and estimates. As a result, we were unable to determine whether the carrying amounts of the company's receivables from subsidiaries, associates and joint ventures as at 31 March 2021 are fairly stated.

(iv) Going concern

The group and the company incurred losses from continuing operations, net of tax of US\$5.1 million and US\$2.0 million respectively during the reporting year ended 31 March 2021. As at 31 March 2021, the group's current liabilities exceeded the group's current assets by US\$11.3 million and the company's current liabilities exceeded the company's current assets by US\$1.3 million. The group's and company's current liabilities totalled US\$20.1 million and US\$9.9 million respectively as at 31 March 2021, the majority of which have been outstanding for more than 12 months, although they are repayable on demand. In addition to the above, as disclosed in Note 29E to the financial statements, the company was to guarantee the credit facilities of a Myanmar retail distributor of US\$1.3 million obtained from a financial institution.

As disclosed in Note 30 to the financial statements, subsequent to end of the reporting year, shareholder's loans of US\$5.0 million were converted into share capital of the company. The company has also obtained undertakings from the shareholders concerned not to recall the remaining shareholders' loans, and to provide financial support for at least another 12 months from the reporting date, though no firm arrangement to set aside sufficient funds by the shareholders concerned to meet the group's debt obligations as and when they arise, has been put in place. There were also new shares issued following the receipt of cash injection by new shareholders totalling US\$1.2 million, and the group is also in discussions with potential investors to raise fresh funds for the group to meet the group's debt obligations and capital needs, though we were unable to obtain sufficient appropriate evidence to assess the outcome of the ongoing discussions with the potential investors.

INDEPENDENT AUDITOR'S REPORT

To the Members of SMI Vantage Limited
(Formerly known as Singapore Myanmar Investco Limited)

Bases for disclaimer of opinion (cont'd)

(iv) Going concern (cont'd)

These conditions set out in the preceding paragraphs, including our inability to determine whether the carrying amounts of the group's and company's receivables have been fairly stated, reflect the presence of multiple material uncertainties. As a result of the above, we were unable to obtain sufficient appropriate evidence to independently substantiate and verify the group's and company's ability to continue as going concerns.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the "*Bases for disclaimer of opinion*" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matters referred to in the "*Bases for disclaimer of opinion*" section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

30 November 2021

Engagement partner - effective from reporting year ended 31 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2021

	Notes	Group	
		2021 US\$'000	2020 US\$'000
Revenue	5	335	20,881
Cost of sales		(2,418)	(15,437)
Gross profit		(2,083)	5,444
Other income and gains	6	506	481
Distribution costs		(738)	(2,116)
Administrative expenses	7	(1,723)	(6,422)
Finance costs	8	(782)	(1,190)
Other losses	6	(397)	(6,627)
Share of loss from equity-accounted associates	17	*	*
Share of profit/(loss) from equity-accounted joint ventures	18	71	(28)
Loss before tax from continuing operations		(5,146)	(10,458)
Income tax income	11	3	1
Loss from continuing operations, net of tax		(5,143)	(10,457)
Loss from discontinued operations, net of tax	12	(129)	(100)
Loss net of tax		(5,272)	(10,557)
Loss attributable to:			
Equity holders of the company		(5,375)	(10,335)
Non-controlling interests		103	(222)
Loss for the year		(5,272)	(10,557)
Total comprehensive loss attributable to:			
Equity holders of the company		(5,375)	(10,335)
Non-controlling interests		103	(222)
Total comprehensive loss for the year		(5,272)	(10,557)
Loss per share from continuing and discontinued operations attributable to equity holders of the company		Cents	Cents
Basic loss per share	13		
From continuing operations		(1.67)	(3.38)
From discontinued operations		(0.04)	(0.03)
		(1.71)	(3.41)
Diluted loss per share	13		
From continuing operations		(1.67)	(3.38)
From discontinued operations		(0.04)	(0.03)
		(1.71)	(3.41)

* Amounts less than US\$1,000

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

	Notes	Group		Company	
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
ASSETS					
Non-current assets					
Plant and equipment	14	7,587	10,102	478	575
Intangible assets	15	142	492	–	–
Right-of-use assets	14A	901	1,524	154	232
Investments in subsidiaries	16	–	–	–	181
Investments in associates	17	–	–	–	–
Investments in joint ventures	18	799	478	900	650
Trade and other receivables, non-current	19	16,608	14,599	15,263	15,210
Other non-financial assets, non-current	20	57	73	23	23
Total non-current assets		26,094	27,268	16,818	16,871
Current assets					
Inventories	21	74	487	–	–
Trade and other receivables, current	19	8,113	12,086	7,388	8,982
Other non-financial assets, current	20	466	792	1,160	597
Cash and cash equivalents	22	198	872	85	59
Total current assets		8,851	14,237	8,633	9,638
Total assets		34,945	41,505	25,451	26,509
EQUITY AND LIABILITIES					
Equity attributable to owners of the company					
Share capital	23	60,067	59,862	60,067	59,862
Accumulated losses		(50,896)	(45,521)	(45,518)	(43,507)
Employee share option reserves	10	523	515	523	515
Equity attributable to owners of the company		9,694	14,856	15,072	16,870
Non-controlling interests		–	(103)	–	–
Total equity		9,694	14,753	15,072	16,870
Non-current liabilities					
Lease liability, non-current	25	667	1,662	89	168
Other financial liabilities, non-current	26	4,476	–	390	–
Total non-current liabilities		5,143	1,662	479	168
Current liabilities					
Income tax payable		775	938	2	4
Trade and other payables	24	8,637	9,892	3,116	2,689
Lease liability, current	25	1,872	1,722	82	78
Other financial liabilities, current	26	8,824	12,538	6,700	6,700
Total current liabilities		20,108	25,090	9,900	9,471
Total liabilities		25,251	26,752	10,379	9,639
Total equity and liabilities		34,945	41,505	25,451	26,509

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2021

Group	Equity attributable to owners of the company					Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Accumulated losses US\$'000	Employee share option reserves US\$'000	Total US\$'000			
Current year:							
Opening balance at 1 April 2020	59,862	(45,521)	515	14,856	(103)	14,753	
Changes in equity:							
Total comprehensive loss for the year	–	(5,375)	–	(5,375)	103	(5,272)	
Issue of shares (Note 23)	205	–	(205)	–	–	–	
Share-based payments (Note 10)	–	–	213	213	–	213	
Closing balance at 31 March 2021	60,067	(50,896)	523	9,694	–	9,694	
Previous year:							
Opening balance at 1 April 2019	59,862	(35,186)	81	24,757	119	24,876	
Changes in equity:							
Total comprehensive loss for the year	–	(10,335)	–	(10,335)	(222)	(10,557)	
Share-based payments (Note 10)	–	–	434	434	–	434	
Closing balance at 31 March 2020	59,862	(45,521)	515	14,856	(103)	14,753	

Company	Share capital US\$'000	Accumulated losses US\$'000	Employee share option reserve US\$'000	Total equity US\$'000
Current year:				
Opening balance at 1 April 2020	59,862	(43,507)	515	16,870
Changes in equity:				
Total comprehensive loss for the year	–	(2,011)	–	(2,011)
Issue of shares (Note 23)	205	–	(205)	–
Share-based payments (Note 10)	–	–	213	213
Closing balance at 31 March 2021	60,067	(45,518)	523	15,072
Previous year:				
Opening balance at 1 April 2019	59,862	(34,519)	81	25,424
Changes in equity:				
Total comprehensive loss for the year	–	(8,988)	–	(8,988)
Share-based payments (Note 10)	–	–	434	434
Closing balance at 31 March 2020	59,862	(43,507)	515	16,870

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2021

	Group	
	2021	2020
	US\$'000	US\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(5,146)	(10,458)
Loss before tax from discontinued operations	(156)	(100)
Loss before tax, total	<u>(5,302)</u>	<u>(10,558)</u>
Adjustments for:		
Depreciation of plant and equipment	2,307	2,468
Amortisation of intangible assets	162	195
Depreciation of right-of-use assets	407	543
Allowance for impairment on trade and other receivables	148	4,571
Interest income	(8)	(14)
Interest expense	782	1,190
Impairment losses on plant and equipment	61	395
Loss on disposal of plant and equipment	7	22
Plant and equipment written off	40	1,159
Share of results of joint ventures, net of tax	(71)	28
Intangible assets written off	181	-
Share based payments	213	434
Net effect of exchange rate changes in consolidating subsidiaries	(483)	298
Operating cash flows before changes in working capital	<u>(1,556)</u>	<u>731</u>
Inventories	413	(435)
Trade and other receivables	868	172
Other non-financial assets	53	727
Trade and other payables, current	(675)	(4,969)
Net cash flows used in operations	<u>(897)</u>	<u>(3,774)</u>
Income tax refunded	3	1
Net cash used in operating activities	<u>(894)</u>	<u>(3,773)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(232)	(1,644)
Purchase of intangible assets	-	(11)
Acquisition of jointly-controlled entity	-	(150)
Proceeds from disposal of plant and equipment	308	8,496
Proceeds from disposal of subsidiaries, net cash disposed	50	-
Interest received	7	14
Net cash from investing activities	<u>133</u>	<u>6,705</u>
Cash flows from financing activities		
Increase in restricted fixed bank deposits	-	125
Lease liabilities – principal portion paid	(92)	(949)
Increase/(decrease) in borrowings	4	(389)
Conversion of bank overdraft to bank loans	4,086	-
Transactions with non-controlling interests of subsidiary	(368)	-
Loans from shareholders	390	-
Interest paid	(263)	(1,517)
Net cash from/(used in) financing activities	<u>3,757</u>	<u>(2,730)</u>
Net increase in cash and cash equivalents	2,996	202
Cash and cash equivalents, consolidated statement of cash flow, beginning balance	(3,450)	(3,330)
Effects of exchange rate changes on cash balances held in foreign currencies	68	(322)
Cash and cash equivalents, consolidated statement of cash flow, ending balance (Note 22A)	<u>(386)</u>	<u>(3,450)</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in United States dollars and they cover the company (referred to as “parent”) and the subsidiaries.

Before 7 October 2021, the company was known as Singapore Myanmar Investco Limited, which was changed to its present name, SMI Vantage Limited.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activity of the company is an investment holding company. The company registered a branch in Myanmar so as to have a stronger business presence to support its Myanmar businesses.

The company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of its subsidiaries are described in Note 16 to the financial statements below.

The registered office is: 300 Beach Road, #31-03, The Concourse, Singapore 199555. The company is situated in Singapore.

Uncertainties from COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally forced the reporting entity to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. The exact reopening date of Yangon International Airport (“YIA”) is not known at this time and no official government announcement has been made. Measures were taken by the governments to contain the spread of COVID-19, including travels, social distancing and closure of non-essential services. The current Covid-19 pandemic and current political situation in Myanmar have resulted in an economic slowdown, which has adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for receivables, plant and equipment, cost of investments and net receivables from subsidiaries) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas, in particular Myanmar, to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity’s businesses and the countries where the reporting entity operates. The group is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

Basis for going concern

The group and the company incurred losses from continuing operations, net of tax of US\$5.1 million and US\$2.0 million respectively during the reporting year ended 31 March 2021 (2020: US\$10.5 million and US\$9.0 million respectively) and, as of that date, the group recorded a negative working capital (current liabilities exceeded the current assets) of US\$11.3 million as compared to a negative working capital of US\$10.9 million as at 31 March 2020. And as disclosed in Note 29E, the company was to guarantee the credit facilities of a Myanmar retail distributor amounting to US\$1.3 million obtained from a financial institution of which the group has assessed and will not be issuing it at the date of this report.

Notwithstanding the negative working capital position, the management is of the view that the working capital available as at 31 March 2021 is sufficient for the group’s present cash flow requirements and for the following 12 months. In arriving at this conclusion, management took into account the following:

- The group’s ability to generate sufficient cash flows from its operating activities to support its operating expenses in the next 12 months, taking into account the impact that COVID-19 and current political situation in Myanmar may have on the group’s operations based on current available information.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

1. General (cont'd)

Basis for going concern (cont'd)

- Management is of the view that the banks will not request for immediate payment of the outstanding loans and will continue to make available the existing overdraft facilities to the group.
- Written undertaking from the two substantial shareholders, who are also directors of the company, to provide continued financial support to the group and not to demand payment of the loans outstanding from the group until the group is in a financial position to do so.
- Subsequent to the reporting year end, shareholder's loans of US\$5 million was converted into share capital of the company. See Note 30.
- New ordinary shares of the company were issued for a total cash consideration US\$1,187,000 (S\$1,579,000). See Note 30.

Therefore, management is of the opinion that the use of the going concern basis in the preparation of these financial statements is appropriate.

If the group or the company is unable to continue in operational existence for the foreseeable future, the group or the company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the group or the company may need to reclassify non-current assets and may have to provide for further liabilities that may arise. No such adjustments have been made to these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this note to the financial statements, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as financial assets that is an equity investment measured at fair value through other comprehensive income in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Distinct goods or services in a series – For distinct goods or services in a series such as routine or recurring service contracts where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or services provided.

Rental revenue – Rental revenue is recognised either a straight-line basis or another systematic basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Other income

Interest income is recognised using the effective interest method.

Franchise income is an income for the franchisor that is obtained once the franchise has been established. It is a fixed percentage amount of the gross sales that the franchisee has made.

Commission income and consultancy income is recognised when it becomes entitled.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and branches except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets.

The estimated useful lives are as follows:

Leasehold improvements	- 2 to 10 years
Plant and equipment	- 1 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Rights-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Franchises	–	5 to 10 years
Licenses	–	5 to 10 years

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However, the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Joint arrangement – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is a party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in joint ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Business combinations

There were no business combinations during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): All other financial assets are classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdraft payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Expected credit loss for trade and other receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The allowance for expected credit loss is based on the lifetime expected credit loss. The estimate is based on the historical and forward-looking trends of the receivables. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount and key assumptions are disclosed in Note 19 on trade and other receivables.

Plant and equipment:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption, and the key assumptions applied in the value-in-use calculation is disclosed in Note 14 on plant and equipment.

Useful lives of plant and equipment:

Included in plant and equipment of the group are leasehold improvements with a carrying amount of US\$5.7 million (2020: US\$6.6 million) as at end of the reporting year. Management has depreciated the leasehold improvements on a straight-line basis over their estimated useful lives of 2 to 10 years. The terms of the lease for these premises however are less than the estimated useful lives. Management has assumed the group will be able to renew the terms of its lease on its expiry and hence the estimated useful lives for leasehold improvements of 2 to 10 years is appropriate. In the event the group is not able to renew the terms of its lease and the group vacates the relevant premise, the carrying value of leasehold improvements related to the vacated premise would have to be fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Impairment of net receivables from subsidiaries, associates and joint ventures:

Where a subsidiary, associate or joint venture is in net equity deficit and or has suffered losses, a test is made whether the amount receivable from investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The net carrying amount of the receivables from subsidiaries, associates and joint ventures at the end of the reporting year affected by assumption is US\$22.2 million.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

Related companies in these financial statements include the members of the reporting entity.

The ultimate controlling party is Ho Kwok Wai, a director and significant shareholder.

3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3C. Key management compensation:

	Group	
	2021	2020
	US\$'000	US\$'000
Salaries and other short-term employee benefits	736	1,815
Contributions to defined contribution plans	28	61
Share-based payments (Note 10)	213	434

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

3. Related party relationships and transactions (cont'd)

3C. Key management compensation: (cont'd)

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2021 US\$'000	2020 US\$'000
Directors' fees	118	177
Remuneration of directors of the company	-	859

Further information about the remuneration of individual directors is provided in the report on corporate governance. Key management personnel include directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
	2021 US\$'000	2020 US\$'000
<u>Subsidiaries</u>		
Balance at beginning of the year	21,866	39,023
Amounts paid out and settlement of liabilities on behalf of subsidiaries	2,109	5,691
Amounts received and settlement of liabilities on behalf of the company	(648)	(22,004)
Allowance for impairment	(1,383)	(5,117)
Waiver of payables to subsidiary	-	4,273
Balance at end of the year	21,944	21,866
Presented in the statement of financial position as follows:		
Other receivables (Note 19)	21,944	22,514
Other payables (Note 24)	-	(648)
At end of the year	21,944	21,866

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity. For management purposes, the group's principal operating businesses are organised according to their nature of activities as follows:-

- (a) Travel and fashion retail;
- (b) Food and beverages; and
- (c) Construction services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The discontinued operations (under the auto services segment last year) relate to the disposal of the provision of telecommunication towers and related service, serviced office business and vehicles rental business (see Note 12).

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Profit or loss from continuing operations and reconciliations

	Travel and fashion retail US\$'000	Construction services US\$'000	Food and beverages US\$'000	Unallocated US\$'000	Total US\$'000
2021					
Revenue by segment					
Total revenue by segment	119	-	216	-	335
Recurring EBITDA	(615)	(159)	(367)	(588)	(1,729)
Miscellaneous income	58	3	5	22	88
Interest income	*	*	*	*	*
Finance costs	(571)	(3)	(13)	(195)	(782)
Depreciation, amortisation and impairment	(2,031)	-	(563)	(200)	(2,794)
ORBIT	(3,159)	(159)	(938)	(961)	(5,217)
Loss before tax from continuing operations	(3,159)	(159)	(938)	(961)	(5,217)
Income tax income					3
Share of results of joint ventures – net of tax					71
Share of results of associates – net of tax					*
Loss after tax from continuing operations					(5,143)
Loss after tax from discontinued operations					(129)
Loss for the year					(5,272)

* Amounts less than US\$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Travel and fashion retail US\$'000	Construction services US\$'000	Food and beverages US\$'000	Unallocated US\$'000	Total US\$'000
2020					
Revenue by segment					
Total revenue by segment	16,302	376	2,292	1,911	20,881
Recurring EBITDA	3,862	51	25	(5,367)	(1,429)
Interest income	–	6	–	8	14
Finance costs	(651)	(65)	(151)	(323)	(1,190)
Depreciation, amortisation and impairment	(5,897)	(457)	(1,114)	(357)	(7,825)
ORBIT	(2,686)	(465)	(1,240)	(6,039)	(10,430)
Loss before tax from continuing operations	(2,686)	(465)	(1,240)	(6,039)	(10,430)
Income tax income					1
Share of results of joint ventures – net of tax					(28)
Share of results of associates – net of tax					*
Loss after tax from continuing operations					(10,457)
Loss after tax from discontinued operations					(100)
Loss for the year					(10,557)

* Amounts less than US\$1,000

4C. Assets and reconciliations

	Travel and fashion retail US\$'000	Construction services US\$'000	Food and beverages US\$'000	Discontinued operations US\$'000	Unallocated US\$'000	Total US\$'000
2021						
Total group assets	28,379	1,017	4,252	1,263	34	34,945
2020						
Total group assets	30,339	1,660	4,471	2,636	2,399	41,505

Unallocated items comprise cash and cash equivalents, other receivables and prepayments and other investments. Certain assets are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

4. Financial information by operating segments (cont'd)

4D. Liabilities and reconciliations

	Travel and fashion retail US\$'000	Construction services US\$'000	Food and beverages US\$'000	Discontinued operations US\$'000	Unallocated US\$'000	Total US\$'000
2021						
Total group liabilities	5,466	101	2,239	2,321	15,124	25,251
2020						
Total group liabilities	12,001	191	2,826	7,850	3,884	26,752

(a) For segmental reporting purpose, this includes assets and liabilities of the telecommunication tower business, serviced office business and vehicles rental business from discontinued operations. Also see Note 12.

Unallocated items comprise trade payables and accrued liabilities, other payables, income tax payable, deferred tax expense, long-term borrowings and finance leases. Certain liabilities are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4E. Other material items and reconciliations

	Travel and fashion retail US\$'000	Construction services US\$'000	Auto services US\$'000	Food and beverages US\$'000	Discontinued operations US\$'000	Unallocated US\$'000	Total US\$'000
Total expenditure for non-current assets:							
2021	206	-	-	26	-	-	232
2020	1,197	-	-	275	14	169	1,655

4F. Geographical information

	Revenue		Non-current assets	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Singapore	-	-	18,198	16,914
Myanmar	335	20,881	7,896	10,354
	335	20,881	26,094	27,268

4G. Information about major customers

Revenue from major customers during the reporting year are as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Top 1 customer	255	16,302
Top 2 customers	335	16,806

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

5. Revenue

5A. Revenue classified by type of goods or service:

	Group	
	2021 US\$'000	2020 US\$'000
Sale of goods	335	17,663
Rendering of services	-	1,577
Usage of retail fit-out	-	1,299
Rental income from serviced offices	-	342
	335	20,881

5B. Revenue classified by duration of contract:

	Group	
	2021 US\$'000	2020 US\$'000
Short-term contracts	335	19,240
Long-term contracts	-	1,641
Total revenue	335	20,881

5C. Revenue classified by timing of revenue recognition:

	Group	
	2021 US\$'000	2020 US\$'000
Point in time	335	19,240
Over time	-	1,641
Total revenue	335	20,881

5D. Revenue classified by type of customer:

	Group	
	2021 US\$'000	2020 US\$'000
Retailers	120	16,302
Individual customers	215	4,579
Total revenue	335	20,881

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

6. Other income and gains and (other losses)

	Group	
	2021 US\$'000	2020 US\$'000
Allowance for impairment on trade receivables – loss	(148)	(4,423)
Commission income	58	107
Consultancy income	19	172
Donations given	–	(195)
Franchise income	3	46
Foreign exchange transaction gains (losses)	245	(364)
Forgiveness of loans	103	–
Gain on modification of leases	56	–
Impairment allowance on plant and equipment – loss	(61)	(395)
Interest income	–	14
Impairment allowance on intangible assets – loss	(181)	–
Loss on disposal of plant and equipment, net	(7)	(22)
Plant and equipment written off	–	(1,036)
Royalty income	4	142
Others	18	(192)
Net	109	(6,146)
Presented in profit or loss as:		
Other income and gains	506	481
Other losses	(397)	(6,627)
Net	109	(6,146)

7. Administrative expenses

The major components include the following:

	Group	
	2021 US\$'000	2020 US\$'000
Consultancy fee	–	303
Depreciation and amortisation expense (Notes 14,14A and 15)	597	488
Employee benefits expense (Note 9)	724	3,250
Legal and professional fee	148	948
Rental of premises	109	123

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

8. Finance costs

	Group	
	2021 US\$'000	2020 US\$'000
Interest expenses:		
Finance leases	23	307
Bank loans and others	759	883
	782	1,190

9. Employee benefits expense

	Group	
	2021 US\$'000	2020 US\$'000
Short term employee benefits expense	554	3,784
Contributions to defined contribution plan	28	61
Share-based payments (Note 10)	213	434
Total employee benefits expense	795	4,279
The employee benefits expense is charged as follows:		
Cost of sales	21	586
Distribution costs	50	443
Administrative expenses (Note 7)	724	3,250
	795	4,279

10. Share-based payments

	Group	
	2021 US\$'000	2020 US\$'000
Share options (Note 10A)	-	15
Share-based payments (Note 10B)	213	419
	213	434

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

10. Share-based payments (cont'd)

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme

During the reporting year, no option to take up unissued shares of the company or any corporation in the group was granted except as follows:

The key objective of the Singapore Myanmar Investco Limited Employee Share Option Scheme ("SMI ESOS" or the "Scheme") is to motivate group's key employees to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the group.

The management of the company has underlined the following primary objectives of the implementation of the SMI ESOS, such as:

- (a) To incentivize all participants;
- (b) To motivate participants to optimise performance, efficiency and productivity;
- (c) To reward key participants whose contributions are important to the long-term prospects and profitability of the group;
- (d) To promote a sense of loyalty amongst the participants to further the growth of the group; and
- (e) To align the interests of the participants with the interests of the shareholders.

Activities under SMI ESOS:

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	Grant date	Exercise period	Number of options at 31 March	
			2021 '000	2020 '000
S\$0.46	4 October 2017	From 4 October 2020 to 3 October 2022	437	437
S\$0.29	8 June 2018	From 7 June 2020 to 7 June 2023	380	380
S\$0.13	13 June 2019	From 13 June 2019 to 12 June 2021	575	575
Balance at end of the year			1,392	1,392

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the reporting year as well as the movements during the reporting year.

	2021		2020	
	'000	'000	Weighted average exercise price cents	cents
Balance at beginning of the year	1,392	1,483	26	38
Granted	-	1,345	-	13
Forfeited	-	(1,436)	-	26
Balance at end of the year	1,392	1,392	26	26

Subsequent to year end, 461,400 options are granted under the SMI ESOS on 7 July 2021. These options have exercise price of S\$0.13 per share, shall only be exercisable after 12 months from the date of grant and shall be exercised before the third anniversary of the date of grant.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

10. Share-based payments (cont'd)

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

Accounting for the share options:

The following table summaries information about the share options outstanding at the end of the reporting year.

Exercise price	Number outstanding '000	Number exercisable '000	Weighted average remaining life (Years)
2021			
S\$0.46	437	843	1.51
S\$0.44	-	15	-
S\$0.31	-	50	-
S\$0.29	380	575	2.19
S\$0.13	575	-	0.20
	1,392	1,483	1.15
2020			
S\$0.46	437	843	2.51
S\$0.44	-	15	-
S\$0.31	-	50	-
S\$0.29	380	575	3.19
S\$0.13	575	-	1.20
	1,392	1,483	2.15

Share option reserve:

	Group and company	
	2021 US\$'000	2020 US\$'000
At beginning of the year	96	81
Grant of share option	-	15
At end of the year	96	96

The fair value of the options is obtained using binomial model (level 3) at the grant value date of the options. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non-transferability of the options granted.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

10. Share-based payments (cont'd)

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

The assumptions under the model take into account the following factors:

	2021	2020
	%	%
Historical and expected volatility	41.8 – 44.4	41.8 – 44.4
Dividend yield	0.0	0.0
Risk-free interest rate	1.5 – 2.1	1.5 – 2.1
Forfeiture probability: leaving pre-vesting	10.0 – 15.0	10.0 – 15.0

Expected volatility was determined taking into consideration the company's volatility over a three and half-year period prior to each award date. Dividends used are those last known at the date the plan was approved.

10B. Singapore Myanmar Investco Limited Performance Share Plan

The Singapore Myanmar Investco Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by directors.

On 13 June 2019, the company granted 4,500,000 share award under the PSP to Mark Francis Bedingham, a director of the company. The share award has a vesting period of 24 months from 1 April 2019. Subsequent to end of the reporting year on 8 April 2021, 4,500,000 shares were issued and allotted to the director.

On 27 March 2020, the company granted a further 14,000,000 share award under the PSP to Mark Francis Bedingham. The share award has no vesting period. The 14,000,000 shares were issued pursuant to the PSP during the current reporting year.

11. Income tax income

Components of tax income recognised in profit or loss includes:

	Group	
	2021	2020
	US\$'000	US\$'000
Current tax income	(3)	(1)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

11. Income tax income (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0 % (2020: 17.0 %) to profit or loss before income tax as a result of the following differences:

	Group	
	2021 US\$'000	2020 US\$'000
Loss before tax	(5,146)	(10,458)
Share of profit/(loss) from equity-accounted joint ventures	71	(28)
	(5,075)	(10,486)
Income tax income at the above rate	(863)	(1,783)
Expenses not deductible for tax purposes	306	420
Deferred tax assets not recognised	830	1,844
Over provision in prior year	(3)	(1)
Effect of different tax rates in different countries	(273)	(481)
Total income tax income	(3)	(1)

There are no income tax consequences of dividends to owners of the company.

Unrecognised deferred tax assets:	Tax losses		Unrecognised deferred tax assets	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Unused tax losses available	31,211	26,329	5,306	4,476

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For the Myanmar companies, the realisation of the future tax benefits from tax loss carry forwards is available for a period of 3 years subject to certain conditions imposed by law. The Myanmar subsidiaries' tax losses carryforwards are not significant as at reporting year-end date.

12. Loss from discontinued operations, net of tax

On 20 October 2016, the company announced an agreement to divest its entire interests of its telecommunication tower business, Myanmar Infrastructure Group Pte Ltd ("MIG") and its subsidiary, TPR Myanmar Limited ("TPR"). This disposal was however terminated on 30 June 2017. The company continued to negotiate with other potential buyers to dispose its interest in TPR and on 1 June 2018, the company entered into a share sale agreement with an independent entity, Tiger Infrastructure Pte. Ltd. ("Tiger"), for the proposed disposal of (i) the entire interest in TPR held by MIG, and (ii) all tower stock and power equipment stock held by TPR for a consideration of US\$10.8 million. This proposed disposal was then terminated on 5 April 2019 due to failure to complete on the part of Tiger by 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

12. Loss from discontinued operations, net of tax (cont'd)

On 11 April 2019, MIG entered into a tower transfer agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. (collectively "IGT") for the sale of all TPR's telecommunications towers and tower leases in Myanmar to IGT for an aggregate sale price in cash of approximately US\$8 million. Further to the extraordinary general meeting held on 18 September 2019 at which shareholders voted in favour of the disposal, all the conditions precedent for the disposal had been fulfilled or waived and the tower sale was completed.

On 18 September 2020, the company announced that the applications to the Accounting and Corporate Regulatory Authority ("ACRA") for the proposed striking off of wholly-owned subsidiaries, SMI Mobile Pte. Ltd. and SMI Infrastructure Services Pte. Ltd. have been approved. These subsidiaries were part of the group's telecommunication tower business that has been discontinued.

On 19 March 2021, the company announced that the application to ACRA for the proposed striking off of wholly-owned subsidiary, Kinnaya Pte. Ltd. has been approved. Kinnaya operates the group's serviced office business and this has been discontinued during the reporting year.

During the reporting year, management also decided to discontinue the business of car rental and limousine services in wholly-owned subsidiary SMI Auto Services Pte. Ltd..

The entire results from the telecommunication tower business, serviced offices business and vehicles rental business are presented separately in the consolidated statement of profit or loss and other comprehensive income for the reporting year ended 31 March 2021 as "Discontinued Operations".

For the year ended 31 March 2020, only results of telecommunication tower business are presented as "Discontinued Operations". Comparatives have not been restated as management is of the view that they are not material.

	Group	
	2021 US\$'000	2020 US\$'000
Revenue	299	599
Cost of sales	(284)	(134)
Gross profit	15	465
Other income and gains	585	8
Distribution costs	(51)	-
Administrative expenses	(151)	(260)
Other losses	(479)	(313)
Finance costs	(75)	-
Loss before income tax from discontinued operations	(156)	(100)
Income tax expense	27	-
Loss from discontinued operations, net of tax	(129)	(100)

The cash flow of the discontinued operations which have been included in the consolidated financial statements, were as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Net cash flows generated from (used in) operating activities	1,435	(316)
Net cash flows (used in) generated from investing activities	(1,753)	7,986
Net cash flows used in financing activities	(146)	(27)
Total cash flows	(464)	7,643

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

13. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted losses per share of no par value:

	Group	
	2021 US\$'000	2020 US\$'000
<hr/>		
Numerators: losses attributable to equity:		
Continuing operations: attributable to owners of the company	(5,246)	(10,235)
Discontinued operations: loss for the year	(129)	(100)
Total basic losses	<u>(5,375)</u>	<u>(10,335)</u>
Diluted losses	<u>(5,375)</u>	<u>(10,335)</u>
<hr/>		
	No. of shares	
Denominators: weighted average number of equity shares		
Basic	<u>314,535,254</u>	302,996,792
Diluted	<u>314,535,254</u>	302,996,792

The weighted average number of ordinary shares refers to shares in circulation during the reporting period.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

14. Plant and equipment

Group	Leasehold improvements US\$'000	Plant and equipment US\$'000	Construction work-in-progress US\$'000	Total US\$'000
<u>Cost</u>				
At 1 April 2019	11,392	7,089	143	18,624
Additions	1,007	620	17	1,644
Disposals	(230)	(515)	–	(745)
Write-off	(1,580)	(1,012)	(123)	(2,715)
At 31 March 2020	10,589	6,182	37	16,808
Additions	188	44	–	232
Disposals	(657)	(469)	–	(1,126)
Write-off	–	(6)	(37)	(43)
At 31 March 2021	10,120	5,751	–	15,871
<u>Accumulated depreciation and impairment losses</u>				
At 1 April 2019	3,049	2,577	–	5,626
Depreciation for the year	1,152	1,316	–	2,468
Disposals	(61)	(166)	–	(227)
Write-off	(593)	(963)	–	(1,556)
Impairment for the year	395	–	–	395
At 31 March 2020	3,942	2,764	–	6,706
Depreciation for the year	1,049	1,258	–	2,307
Disposals	(611)	(176)	–	(787)
Write-off	–	(3)	–	(3)
Impairment for the year	61	–	–	61
At 31 March 2021	4,441	3,843	–	8,284
<u>Carrying value</u>				
At 1 April 2019	8,343	4,512	143	12,998
At 31 March 2020	6,647	3,418	37	10,102
At 31 March 2021	5,679	1,908	–	7,587

Certain assets are under lease agreements. Also see Note 27 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the assets or contractual obligations to purchase, construct or develop assets or for repairs, maintenance or enhancements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

14. Plant and equipment (cont'd)

Assets leased out under operating leases are as follows:

Group	Leasehold improvements US\$'000	Plant and equipment US\$'000	Construction work-in-progress US\$'000	Total US\$'000
<u>Cost</u>				
At 1 April 2019	10,441	5,291	34	15,766
Additions	682	518	3	1,203
Disposal	–	(35)	–	(35)
Write-off	(1,196)	(1,012)	–	(2,208)
At 31 March 2020	9,927	4,762	37	14,726
Additions	–	18	–	18
Disposal	(396)	–	–	(396)
Write-off	–	–	(37)	(37)
At 31 March 2021	9,531	4,780	–	14,311
<u>Accumulated depreciation and impairment losses</u>				
At 1 April 2019	2,701	2,139	–	4,840
Depreciation for the year	1,046	1,069	–	2,115
Disposal	–	(16)	–	(16)
Write-off	(482)	(963)	–	(1,445)
Impairment for the year	395	–	–	395
At 31 March 2020	3,660	2,229	–	5,889
Depreciation for the year	469	1,089	–	1,558
At 31 March 2021	4,129	3,318	–	7,447
<u>Carrying value</u>				
At 1 April 2019	7,740	3,152	34	10,926
At 31 March 2020	6,267	2,533	37	8,837
At 31 March 2021	5,402	1,462	–	6,864

During the reporting year, the entire plant and equipment was subject to an impairment test due to economic slowdown. The impairment test has been carried out using a discounted cash flow model. Cash flows projections are based on the next five year budgets and plans approved by management; cash flows projections beyond that five-year period (2020: 5 years) have been extrapolated on the basis of a 5.8% (2020: 5.8%) growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) is 9.2% (2020: 15.0%). Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

14. Plant and equipment (cont'd)

Allocation of the depreciation expense:

	Group	
	2021 US\$'000	2020 US\$'000
Cost of sales	2,031	2,150
Distribution costs	99	110
Administrative expenses	137	207
Discontinued operations	40	1
Total	2,307	2,468

Company	Leasehold improvements US\$'000	Plant and equipment US\$'000	Total US\$'000
<u>Cost</u>			
At 1 April 2019	750	742	1,492
Additions	139	13	152
Disposals	(169)	–	(169)
Write-off	(384)	–	(384)
At 31 March 2020	336	755	1,091
Additions	28	13	41
Disposal	–	(2)	(2)
At 31 March 2021	364	766	1,130
<u>Accumulated depreciation</u>			
At 1 April 2019	335	200	535
Depreciation for the year	34	107	141
Disposals	(49)	–	(49)
Write-off	(111)	–	(111)
At 31 March 2020	209	307	516
Depreciation for the year	28	109	137
Write-off	–	(1)	(1)
At 31 March 2021	237	415	652
<u>Carrying value</u>			
At 1 April 2019	415	542	957
At 31 March 2020	127	448	575
At 31 March 2021	127	351	478

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

14. Plant and equipment (cont'd)

14A. Right-of-use assets

The right-of-use assets in the statement of financial position. The details are as follows:

Group	Office premise US\$'000	Shop spaces US\$'000	Total US\$'000
<u>Cost</u>			
At 1 April 2019	147	–	147
Additions	275	1,718	1,993
Remeasurement	(73)	–	(73)
At 31 March 2020	349	1,718	2,067
Additions	115	–	115
Remeasurement	–	(649)	(649)
At 31 March 2021	464	1,069	1,533
<u>Accumulated depreciation</u>			
At 1 April 2019	–	–	–
Depreciation for the year	117	426	543
At 31 March 2020	117	426	543
Depreciation for the year	109	298	407
Remeasurement	–	(318)	(318)
At 31 March 2021	226	406	632
<u>Carrying value</u>			
At 1 April 2019	147	–	147
At 31 March 2020	232	1,292	1,524
At 31 March 2021	238	663	901

Allocation of the depreciation expense:

	Group	
	2021 US\$'000	2020 US\$'000
Distribution costs	78	426
Administrative expenses	298	117
Discontinued operations	31	–
Total	407	543

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

14. Plant and equipment (cont'd)

14A. Right-of-use assets (cont'd)

Company	Office premise US\$'000
<u>Cost</u>	
At 1 April 2019	147
Additions	275
Disposals	(73)
At 31 March 2020 and 31 March 2021	349
<u>Accumulated depreciation</u>	
At 1 April 2019	–
Depreciation for the year	117
At 31 March 2020	117
Depreciation for the year	78
At 31 March 2021	195
<u>Carrying value</u>	
At 1 April 2019	147
At 31 March 2020	232
At 31 March 2021	154

For leases over properties, the leases require those properties to be in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

15. Intangible assets

Group	Franchise fee US\$'000	License fee US\$'000	Total US\$'000
<u>Cost</u>			
At 1 April 2019	740	338	1,078
Additions	–	11	11
At 31 March 2020	740	349	1,089
Write off	(15)	(79)	(94)
At 31 March 2021	725	270	995
<u>Accumulated depreciation and impairment losses</u>			
At 1 April 2019	211	191	402
Amortisation for the year	112	83	195
At 31 March 2020	323	274	597
Amortisation for the year	108	54	162
Impairment for the year	181	–	181
Write off	(15)	(72)	(87)
At 31 March 2021	597	256	853
<u>Carrying value</u>			
At 1 April 2019	529	147	676
At 31 March 2020	417	75	492
At 31 March 2021	128	14	142

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

15. Intangible assets (cont'd)

Allocation of the amortisation expense:

	Group	
	2021 US\$'000	2020 US\$'000
Distribution costs	-	19
Administrative expenses	162	164
Discontinued operations	-	12
Total	162	195

Franchise fee and License fee

Relates to the exclusive rights granted by franchisor or licensor to develop and operate the business of the brands in Myanmar. The franchise fee and license fee are amortised over 5 to 10 years.

16. Investments in subsidiaries

	Company	
	2021 US\$'000	2020 US\$'000
Movements during the year. At cost:		
Balance at beginning of the year	181	4,569
Additions	390	-
Disposals/write-off	(571)	-
Allowance for impairment	-	(4,388)
Balance at end of the year	*	181
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	*	22,322
Allowance for impairment	*	(22,141)
Total at cost	*	181
Movements in allowance for impairment:		
Balance at beginning of the year	(22,141)	(17,753)
Impairment loss charged to profit or loss	-	(4,388)
Impairment allowance written off	22,141	-
Balance at end of the year	-	(22,141)

* Amount less than US\$1,000

Following the completion of the sale of tower and related assets during the reporting year 2020, the carrying amounts for the subsidiary concerned were written off.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

16. Investments in subsidiaries (cont'd)

The subsidiaries held by the company and subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2021	2020	2021	2020
	US\$'000	US\$'000	%	%
<u>Held by the company:</u>				
SMI Construction Services Pte. Ltd. ^(b) Singapore Distribution of heavy equipment and spare parts	(a)	(a)	100	100
SMI Infrastructure Services Pte. Ltd. ^(e) Singapore Infrastructure engineering services	-	(a)	-	100
Myanmar Infrastructure Group Pte. Ltd. ^{(b),(d)} Singapore Build, distribution and own telecom infrastructure	-	21,023	-	97
Kinnaya Pte. Ltd. ^(e) Singapore Provider of serviced offices	-	1,300	-	65
SMI F&B Pte. Ltd. ^(b) Singapore Distribution of food & beverage items	(a)	(a)	100	100
SMI Auto Services Pte. Ltd. ^(b) Singapore Provision of car rental & limousine services	(a)	(a)	100	100
SMI Retail Pte. Ltd. ^(b) Singapore Distribution of duty free & retail products	(a)	(a)	100	100
SMI Mobile Pte. Ltd. ^(e) Singapore Distribution of B2B telecom plans	-	(a)	-	100
YGN Kinnaya Co Ltd ^{(c) (f) (h)} Myanmar Provider of serviced offices	(a)	-	99	-
<u>Held through Myanmar Infrastructure Group Pte Ltd:</u>				
TPR Myanmar Co Ltd ("TPR") ^(d) Myanmar Build, lease and own telecom infrastructure	-	16,050	-	97

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

16. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2021	2020	2021	2020
	US\$'000	US\$'000	%	%
<u>Held through Kinnaya Pte Ltd:</u>				
YGN Kinnaya Co Ltd ^{(c) (f) (h)}	-	50	-	65
Myanmar				
Provider of serviced offices				
<u>Held through SMI F&B Pte Ltd:</u>				
SMI F&B MM Pte Ltd ^(b)	434	434	100	100
Singapore				
Distribution of food & beverage items				
SMI Food Concepts Ltd ^{(c) (h)}	50	50	100	100
Myanmar				
Consultancy for the food and beverage industry				
<u>Held through SMI F&B MM Pte Ltd:</u>				
SMI FB Ltd ^{(c) (g)}	50	50	100	100
Myanmar				
Consultancy and advertising services for the food and beverage industry				
<u>Held through SMI Retail Pte Ltd:</u>				
SMIRS Myanmar Ltd ^{(c) (h)}	2,850	2,850	100	100
Myanmar				
Management consultancy services				
<u>Held through SMI Auto Services Pte Ltd:</u>				
SMIRental Services MM Ltd ^{(c) (g)}	50	50	100	100
Myanmar				
Equipment rental, vehicle repair and fleet management services				

^(a) Cost of investment is less than US\$1,000.

^(b) Audited by RSM Chio Lim LLP.

^(c) Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar for the reporting year 2020.

^(d) Disposed during the reporting year 2021.

^(e) De-registered during the reporting year 2021.

^(f) Shares in YGN Kinnaya Co Ltd, previously held by Kinnaya Pte Ltd, were transferred to the company during the year, as Kinnaya Pte Ltd was de-registered during the year.

^(g) Not audited for the reporting year 2021, as it is immaterial. The management accounts were used for consolidation.

^(h) Limited audit procedures for specific accounts have been performed for the purpose of consolidation for the reporting year 2021 by RSM Chio Lim LLP.

There are no subsidiaries that have non-controlling interests that are considered material to the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

17. Investments in associates

	Group	
	2021 US\$'000	2020 US\$'000
Movement in carrying value:		
Balance at beginning of the year	-	-
Additions	*	*
Share of loss for the year	*	*
Balance at end of the year	-	-
Carrying value comprising:		
Unquoted equity shares at cost	*	*
Share of post acquisition losses	(*)	(*)
	-	-

* Less than USD\$1,000

Share of losses of associates exceeding the amount of the investment are not recognised as losses in the group profit or loss. The group's share of losses of such associates not recognised was US\$0.3 million (2020: US\$30,000). The group has not incurred legal or constructive obligations on behalf of these associates.

After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations and principal activities	Percentage of equity held by the group	
	2021 %	2020 %
<u>Held by SMI Retail Pte Ltd:</u>		
Star Retail Enterprise Limited ^{(a) (b)} Myanmar Distribution of retail products	35	35
Artisan Concepts Limited ^{(a) (b)} Myanmar Distribution of retail products	35	35

^(a) Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar for the reporting year 2020.

^(b) Not audited for the reporting year 2021, as it is immaterial. The management accounts were used for consolidation.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

17. Investments in associates (cont'd)

There are associates that are considered not material to the reporting entity. The summarised financial information of the non-material associates and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2021 US\$'000	2020 US\$'000
<u>Aggregate for all non-material associates:</u>		
Loss from continuing operations	836	111
Total comprehensive loss for the year	836	111
Net liabilities of associates	(921)	(111)

18. Investments in joint ventures

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Movement in carrying value:				
Balance at beginning of the year	478	356	650	650
Additions	250	150	250	-
Share of profit/(loss) for the year	71	(28)	-	-
Balance at end of the year	799	478	900	650
Carrying value comprising:				
Unquoted equity shares at cost	1,050	800	900	650
Share of post acquisition losses	(251)	(322)	-	-
	799	478	900	650

The listing of and information on the joint ventures is given below:

Name of joint ventures, country of incorporation, place of operations and principal activities	Percentage of equity held by the group	
	2021 %	2020 %
<u>Held by the company:</u>		
SMI-Senko Logistics Pte Ltd ^(a) Singapore Value added logistics providers and general warehousing	50	50
<u>Held by SMI Retail Pte. Ltd.:</u>		
DKSHSMI Pte Ltd ^(a) Singapore Wholesale of adults' clothing Provision of warehousing services	50	50
<u>Held by DKSHSMI Pte Ltd:</u>		
DKSHSMI MM Limited ^{(b) (c)} Myanmar Retailer of adults' clothing	50	50

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

18. Investments in joint ventures (cont'd)

Name of joint ventures, country of incorporation, place of operations and principal activities	Percentage of equity held by the group	
	2021	2020
	%	%

Held by DKSHSMI Pte Ltd: (cont'd)

MAR Retail MM Limited ^{(b) (c)}	35	35
Myanmar		
Retailer of adults' clothing		

^(a) Audited by RSM Chio Lim LLP.

^(b) Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar for the reporting year 2020.

^(c) Not audited for the reporting year 2021, as it is immaterial. The management accounts were used for consolidation.

There are joint ventures that are considered material to the reporting entity. The summarised financial information of the material group's joint ventures and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the joint venture are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2021	2020
	US\$'000	US\$'000
<u>Joint venture with Senko Co., Ltd. (Japan):</u>		
Revenue	799	726
Profit (loss) from continuing operations	132	(97)
Total comprehensive income (loss)	132	(97)
Current assets	577	258
Non-current assets	1,151	1,534
Current liabilities	(481)	(1,085)
Non-current liabilities	–	(92)
Reconciliation:		
Net assets of the joint venture	1,247	615
Proportion of the reporting entity's interest in the joint venture	50%	50%
Carrying amount of the interest in the joint venture	623	308

	Group	
	2021	2020
	US\$'000	US\$'000
<u>Joint venture with DKSH Holding (S) Pte. Ltd. (Singapore):</u>		
Revenue	256	596
Profit from continuing operations	10	41
Total comprehensive income	10	41
Current assets	1,032	945
Non-current assets	300	398
Current liabilities	(980)	(1,002)
Reconciliation:		
Net assets of the joint venture	352	341
Proportion of the reporting entity's interest in the joint venture	50%	50%
Carrying amount of the interest in the joint venture	176	170

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

19. Trade and other receivables

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
<u>Non-current:</u>				
<u>Trade receivables:</u>				
Outside parties	21,028	19,019	-	-
Less: allowance for impairment				
- individually assessed	(4,420)	(4,420)	-	-
Net trade receivables – subtotal	16,608	14,599	-	-
<u>Other receivables:</u>				
Subsidiary (Note 3)	-	-	20,349	20,296
Less: allowance for impairment				
- individually assessed	-	-	(5,086)	(5,086)
Net other receivables – subtotal	-	-	15,263	15,210
Sub-total, trade and other receivables, non-current	16,608	14,599	15,263	15,210
<u>Current:</u>				
<u>Trade receivables:</u>				
Outside parties	6,239	11,549	7	104
Less: allowance for impairment				
- individually assessed	(1,565)	(2,002)	-	-
Associates	2,659	-	-	-
Net trade receivables – subtotal	7,333	9,547	7	104
<u>Other receivables:</u>				
Subsidiaries (Note 3)	-	-	20,971	20,211
Joint ventures	359	949	158	749
Associates	126	948	103	74
Deferred consideration from disposal of subsidiaries	433	575	433	575
Less: allowance for impairment				
- individually assessed	(401)	(401)	(14,290)	(12,907)
GST/commercial tax receivable	263	437	6	176
Others	-	31	-	-
Net other receivables – subtotal	780	2,539	7,381	8,878
Sub-total, trade and other receivables, current	8,113	12,086	7,388	8,982
Total trade and other receivables	24,721	26,685	22,651	24,192

Movements in above allowance on trade receivables:

At beginning of the year	6,422	1,851	-	-
Charge (reversal) for trade receivables to profit or loss included in:				
- other losses (Note 6)	148	4,423	-	-
- discontinued operations (Note 12)	(585)	148	-	-
At end of the year	5,985	6,422	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

19. Trade and other receivables (cont'd)

Movements in above allowance on other receivables:

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
At beginning of the year	401	401	17,993	12,876
Charge for other receivables to profit or loss included in other losses	-	-	1,383	5,117
At end of the year	401	401	19,376	17,993

The trade receivables are subject to the expected credit loss allowance model under the financial reporting standard on financial instruments. The allowance for expected credit loss is based on the lifetime expected credit loss. The exact reopening date of YIA is not known at this time and no official government announcement has been made. The group has worked with local distributors and associate to derive the cash flow projections of local distributors and associate to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the distributors and associate, assisted by the group's management, based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance upon business resumption against latest market expectations, and using suitable discount rates for the projections. Key assumptions include the following: number of years of cash flow projections: 5 years (2020: 5 years); long term growth rate: 5.8% (2020: 5.8%) and discount rate applied: 14.9% (2020: 15.1%). An impairment allowance of US\$Nil (2020: US\$3.9 million) was made for the current reporting year.

In addition to the above, as there has been significant slowdown of construction projects in Myanmar, the group also provided an impairment allowance of US\$0.1 million (2020: US\$0.6 million) for the trade receivables from an equipment distributor.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 90 days (2020: 90 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2021 US\$'000	2020 US\$'000
91 to 150 days	30	2,646
151 to 365 days	1,943	10,917
Over 365 days	23,080	7,739
Total	25,053	21,302

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

19. Trade and other receivables (cont'd)

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2021 US\$'000	2020 US\$'000
Top 1 customer	21,987	24,596
Top 2 customers	24,626	26,041
Top 3 customers	27,042	28,897

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As there is a significant increase in credit risk, an additional loss allowance of US\$1.4 million (2020: US\$5.1 million) was made on the amount due from subsidiaries.

20. Other non-financial assets

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Deposits to secure services	411	329	23	57
Prepayments	42	234	17	63
Recoverables	70	302	1,143	500
	523	865	1,183	620
Presented as:				
Other assets, current	466	792	1,160	597
Other assets, non-current	57	73	23	23
	523	865	1,183	620

21. Inventories

	Group	
	2021 US\$'000	2020 US\$'000
Finished goods	25	428
Raw materials and consumables	49	59
	74	487
Included in cost of sales:		
Finished goods	290	10,576

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

22. Cash and cash equivalents

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Available for use	198	852	85	59
Restricted in use ^(a)	-	20	-	-
	198	872	85	59

^(a) This amount is held by bankers as security for financial liabilities (Note 26).

The rate of interest for the cash on interest earning account of US\$0.2 million (2020: US\$0.8 million) for the group is approximately 0.05% (2020: 0.05%) per annum.

22A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2021 US\$'000	2020 US\$'000
As stated above	198	872
Fixed bank deposits restricted in use (a)	-	(20)
Bank overdraft (Note 26)	(584)	(4,302)
Cash and cash equivalents for statement of cash flows purposes at end of year	(386)	(3,450)

22B. Reconciliation of liabilities arising from financing activities:

	2020 US\$'000	Cash flows US\$'000	Non-cash changes US\$'000	2021 US\$'000
Shareholders loan (Note 26)	6,700	390	-	7,090
Borrowings (Note 26)	1,536	4	4,086 ^(b)	5,626
Lease liabilities (Note 25)	3,384	(92)	(753) ^(a)	2,539
Total liabilities from financing activities	11,620	302	3,333	15,255

	2019 US\$'000	Cash flows US\$'000	Non-cash changes US\$'000	2020 US\$'000
Shareholders loan (Note 26)	6,700	-	-	6,700
Borrowings (Note 26)	1,925	(389)	-	1,536
Finance lease liabilities (Note 26)	2,766	(949)	1,567 ^(a)	3,384
Total liabilities from financing activities	11,391	(1,338)	1,567	11,620

^(a) Acquisition

^(b) Reclassification from bank overdraft to bank loan.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

23. Share capital

	Group and company	
	Number of shares issued	Share Capital US\$'000
Ordinary shares of no par value:		
At 1 April 2019 and 31 March 2020	302,996,792	59,862
Issue of shares ^(a)	14,000,000	205
At 31 March 2021	316,996,792	60,067

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

^(a) On 27 March 2020, the company granted a further 14,000,000 share award under the PSP to Mark Francis Bedingham. The share award has no vesting period. The 14,000,000 shares were issued pursuant to the PSP during the current reporting year (see Note 10B).

Also see Note 30 on shares issued subsequent to year end.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year.

The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the SGX-ST, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

23. Share capital (cont'd)

Capital management (cont'd):

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2021 US\$'000	2020 US\$'000
<u>Net debt:</u>		
All current and non-current borrowings including finance leases	15,839	15,922
Less cash and cash equivalents	(198)	(872)
Net debt	15,641	15,050
<u>Adjusted capital:</u>		
Total equity	9,694	14,753
Debt-to-adjusted capital ratio	161%	102%

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increased accumulated losses.

24. Trade and other payables

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
<u>Trade payables</u>				
Outside parties	6,669	7,725	1,553	928
Trade payables – subtotal	6,669	7,725	1,553	928
<u>Other payables</u>				
Subsidiaries (Note 3)	-	-	-	648
Joint ventures	53	29	-	-
Associates	131	-	-	-
Accrued liabilities	1,449	1,769	1,317	885
Deposits from customers	18	77	-	-
Deferred income	53	25	-	-
Other payables	264	267	246	228
Other payables – subtotal	1,968	2,167	1,563	1,761
Total trade and other payables	8,637	9,892	3,116	2,689

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

25. Lease liabilities

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Lease liabilities, current	1,872	1,722	82	78
Lease liabilities, non-current	667	1,662	89	168
	2,539	3,384	171	246

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Office premise	Shop spaces
Number of right-of-use assets	1	5
Remaining term – range	3 years	2 to 4 years
Remaining term – average	3 years	3.5 years

The leases are for office space and restaurants.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Only variable lease payments that depend on an index or a rate; payments that vary to reflect changes in market rental rates are included in the measurement of the lease liability. Such variable amounts that are unpaid at the commencement date are included in the measurement of lease liability. Variable lease payments would also include extension options and termination options; residual value guarantees; and leases not yet commenced to which the lessee is committed. The variable lease payments that are based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

A summary of the maturity analysis of lease liabilities is disclosed in Note 29E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 14A.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

25. Lease liabilities (cont'd)

Other disclosures on leases:

Apart from the disclosures made in other Notes to the financial statements, amounts relating to leases include the following:

Group and company	2021 US\$'000	2020 US\$'000
Expense relating to short-term leases included in cost of sales	78	287
Expense relating to short-term leases included in administrative expenses	109	123

26. Other financial liabilities

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
<u>Non-current:</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 26A)	4,086	-	-	-
Subtotal	4,086	-	-	-
<u>Financial instruments with fixed interest rates:</u>				
Shareholders' loan (Note 26B)	390	-	390	-
Subtotal	390	-	390	-
Total, non-current	4,476	-	390	-
<u>Current:</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 26A)	1,540	1,536	-	-
Bank overdrafts (secured) (Note 26C)	584	4,302	-	-
Subtotal	2,124	5,838	-	-
<u>Financial instruments with fixed interest rates:</u>				
Shareholders' loan (Note 26B)	6,700	6,700	6,700	6,700
Subtotal	6,700	6,700	6,700	6,700
Total, current	8,824	12,538	6,700	6,700
Total	13,300	12,538	7,090	6,700

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
The non-current portion is repayable as follows:				
Due within 2 to 5 years	4,476	-	390	-

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

26. Other financial liabilities (cont'd)

The range of floating rate interest rates paid were as follows:

Bank loans (secured)

2021	5.43% to 6.59%
2020	5.43% to 6.59%

Bank overdrafts (secured)

2021	10.00%
2020	13.00%

The ranges of fixed rate interest rates paid were as follows:

Shareholders' loan

2021	2.34%
2020	2.34%

26A. Bank loans (secured)

The total for bank loans is US\$5.6 million (2020: US\$1.5 million) at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amounts as they are floating rate instruments that are frequently re-priced to market interest rates. During the year, the group restructured the facilities to convert part of the bank overdrafts into bank loans.

The bank loans are covered by the following:

- (a) Personal guarantees from a director of the company; and
- (b) Floating charge over a subsidiary's bank account.

The bank loans are initially repayable over 24 monthly instalments, commencing from their drawdown on various dates. A revised arrangement was entered into with the Myanmar bank under which loan is repayable over 12 quarterly instalments, commencing from 31 March 2022.

26B. Shareholders' loans

The loan amounts are due to shareholders, who are also directors of the company, are denominated in US Dollars and are unsecured. Interest is accrued on indebtedness at the rate of 2.34% per annum (2020: 2.34% per annum).

Subsequent to reporting year end, US\$5 million of the shareholders' loans were converted into share capital of the company. See Note 30.

26C. Bank overdrafts (secured)

The total for bank overdrafts is US\$0.6 million (2020: US\$4.3 million) at floating rates of interest. Part of the bank overdrafts outstanding as at 31 March 2020 was converted to bank loans during the year (Note 26A).

The bank overdrafts drawdowns previously by a subsidiary were to finance the cost of the fixture and fittings that were leased to a Myanmar retail distributor.

The bank overdrafts are covered by the personal guarantee from a director of the company.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

27. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Not later than one year	-	271
Between 1 and 2 years	-	13
Total	-	284
Rental income recognised as revenue for the year	-	342

Operating lease income commitments represent receivable by the group for its serviced office.

28. Contingent liabilities

Corporate guarantees

The group was to provide a corporate guarantee amounting to US\$1.3 million (2020: US\$1.3 million) to a financial institution to secure a loan to a Myanmar retail distributor at the end of the reporting year, of which the group has assessed and will not be issuing it at the date of this report.

The company has provided the following guarantees at the end of the reporting year:

- a guarantee to its subsidiaries' franchisors in relation to the payments and performance obligations of the subsidiaries.

No liability was expected to arise as at 31 March 2021.

29. Financial instruments: information on financial risks

29A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Financial assets:				
Financial assets at amortised cost	24,919	27,557	22,736	24,251
At end of the year	24,919	27,557	22,736	24,251
Financial liabilities:				
Financial liabilities at amortised cost	24,476	25,814	10,377	9,635
At end of the year	24,476	25,814	10,377	9,635

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

29. Financial instruments: information on financial risks (cont'd)

29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

29C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

29D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. The group worked with local distributors to derive the cash flow projections of local distributors to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the debtors (assisted by the group's management) based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using suitable discount rates for the projections. These estimates require a degree of estimation and judgement. The allowance for expected credit loss is based on the lifetime expected credit loss.

Note 22 disclosed the maturity of cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

29. Financial instruments: information on financial risks (cont'd)

29E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables varies. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analysis the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year US\$'000	1 – 5 years US\$'000	Total US\$'000
Non-derivative financial liabilities:			
2021			
Gross borrowings commitments	10,954	3,352	14,306
Gross lease liabilities	2,008	684	2,692
Trade and other payables	8,637	–	8,637
At end of the year	21,599	4,036	25,635
2020			
Gross borrowings commitments	12,476	2,849	15,325
Gross lease liabilities	1,963	1,845	3,808
Trade and other payables	9,892	–	9,892
At end of the year	24,331	4,694	29,025
Company			
	Less than 1 year US\$'000	1 – 5 years US\$'000	Total US\$'000
Non-derivative financial liabilities:			
2021			
Gross borrowings commitments	390	6,700	7,090
Gross lease liabilities	91	88	179
Trade and other payables	3,116	–	3,116
At end of the year	3,597	6,788	10,385
2020			
Gross borrowings commitments	5,271	1,586	6,857
Gross lease liabilities	88	176	264
Trade and other payables	2,689	–	2,689
At end of the year	8,048	1,762	9,810

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

29. Financial instruments: information on financial risks (cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Group	Less than 1 year US\$'000
2021:	
Financial guarantee contracts - corporate guarantee in favour of a Myanmar retail distributor ^(a)	<u>1,286</u>
2020:	
Financial guarantee contracts - corporate guarantee in favour of a Myanmar retail distributor ^(a)	<u>1,286</u>

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Group	2021 US\$'000	2020 US\$'000
Corporate guarantee issued to a financial institution to secure a loan for a Myanmar retail distributor ^(a)	1,286	1,286
Company		
Corporate guarantee issued to a financial institutions to secure credit facilities for the group's subsidiaries	<u>-</u>	<u>2,418</u>

(a) The group was to provide the above corporate guarantee based on the loan arrangement, of which the group has assessed and will not be issuing it at the date of this report.

29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2021 US\$'000	2020 US\$'000
Financial assets with interest:		
Fixed rate	7	20
Floating rate	<u>191</u>	<u>833</u>
At end of year	<u>198</u>	<u>853</u>
Financial liabilities with interest:		
Fixed rate	12,766	17,463
Floating rate	<u>1,541</u>	<u>1,668</u>
At end of year	<u>14,307</u>	<u>19,131</u>

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis for interest rate risk is not disclosed as the effect on the profit or loss is considered not significant with all other variables including tax rate being held constant.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

29. Financial instruments: information on financial risks (cont'd)

29G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency:

	Singapore Dollars US\$'000	Myanmar Kyats US\$'000	Others US\$'000	Total US\$'000
2021:				
<u>Financial assets:</u>				
Cash and cash equivalents	23	7	–	30
Loans and receivables	7	–	–	7
Total financial assets	<u>30</u>	<u>7</u>	<u>–</u>	<u>37</u>
<u>Financial liabilities:</u>				
Borrowings	–	4,670	–	4,670
Trade and other payables	929	321	–	1,250
Total financial liabilities	<u>929</u>	<u>4,991</u>	<u>–</u>	<u>5,920</u>
Net financial liabilities at end of year	<u>(899)</u>	<u>(4,984)</u>	<u>–</u>	<u>(5,883)</u>
	Singapore Dollars US\$'000	Myanmar Kyats US\$'000	Others US\$'000	Total US\$'000
2020:				
<u>Financial assets:</u>				
Cash and cash equivalents	29	435	–	464
Loans and receivables	60	108	–	168
Total financial assets	<u>89</u>	<u>543</u>	<u>–</u>	<u>632</u>
<u>Financial liabilities:</u>				
Borrowings	–	4,302	–	4,302
Trade and other payables	1,465	162	75	1,702
Total financial liabilities	<u>1,465</u>	<u>4,464</u>	<u>75</u>	<u>6,004</u>
Net financial liabilities at end of year	<u>(1,376)</u>	<u>(3,921)</u>	<u>(75)</u>	<u>(5,372)</u>

Sensitivity analysis:

	Group	
	2021 US\$'000	2020 US\$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency United States Dollar against Singapore Dollar (SGD) with all other variables held constant would have an adverse effect on pre-tax loss of	90	138
A hypothetical 10% strengthening in the exchange rate of the functional currency United States Dollar against Myanmar Kyats (MMK) with all other variables held constant would have a favourable effect on pre-tax loss of	<u>498</u>	<u>392</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

29. Financial instruments: information on financial risks (cont'd)

29G. Foreign currency risk (cont'd)

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant material non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

30. Events after the end of the reporting year

Subsequent to the reporting year end:

- (a) A shareholder who is also a director of the company extended loans totalling US\$0.2 million to the company in April and May 2021.
- (b) 4,500,000 new shares were issued and allotted to Mark Francis Bedingham on 8 April 2021, pursuant to PSP granted on 13 June 2019 (see Note 10B).
- (c) The company entered into a Memorandum of Understanding (MOU) dated 15 July 2021 with The9 Limited for the development of a cryptocurrency cloud-mining platform. Following the signing of the MOU, the company entered into subscription agreements with The9 Limited and other subscribers for the issuance of a total of 52,633,333 new ordinary shares of the company at a subscription price of S\$0.03 per share, for a total cash consideration S\$1,579,000 (US\$1,187,000 equivalent). A further 5,245,000 new ordinary shares were issued and allotted to an introducer as introducer fee of S\$157,350 (US\$118,000 equivalent). All shares were issued and allotted on 1 September 2021.
- (d) 461,400 options are granted under the SMI ESOS on 7 July 2021. These options have an exercise price of S\$0.13 per share, shall only be exercisable after 12 months from the date of grant and shall be exercised before the third anniversary of the date of grant.
- (e) The following resolutions were approved pursuant to an Extraordinary General Meeting held on 6 October 2021;
 - Conversion of US\$5 million shareholder's loans by issuance of 132,910,062 ordinary shares of the company at a conversion price of S\$0.050 per share. The shares were issued and allotted on 12 October 2021.
 - 1,250,000 new ordinary shares were issued at S\$0.050 per share, amounting to S\$62,500, in consideration of half of the professional fees due to the financial adviser. The shares were issued and allotted following the completion of the conversion of the shareholder's loans above.
 - Change of name of the company to SMI Vantage Limited. The change was lodged with ACRA on 7 October 2021.
- (f) The company entered into a non-binding memorandum on 19 October 2021 with Hatten Technology to explore and evaluate cryptocurrency mining activities in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2021

31. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) 16	Covid-19 Related Rent Concessions - Amendment to (effective from 30 June 2020)

32. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 Jan 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 Jan 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
SFRS (I) 16	Covid-19-Related Rent Concessions – Amendments to	1 Jun 2020
SFRS (I)10 and SFRS (I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet
Various	Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022

STATISTICS OF SHAREHOLDINGS

As at 18 November 2021

Issued and fully paid share capital	:	S\$97,986,615.62
Total number of shares in issue	:	513,535,187
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

There are no treasury shares held in the issued share capital of the Company.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately **24.83%** of the issued ordinary shares of the Company were held in the hands of the public as at 18 November 2021 and therefore Rule 723 of the Listing Manual is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1	0.09	1	0.00
100 – 1,000	64	5.75	50,200	0.01
1,001 – 10,000	372	33.42	2,661,100	0.52
10,001 – 1,000,000	657	59.03	52,082,500	10.14
1,000,001 and above	19	1.71	458,741,386	89.33
TOTAL	1,113	100.00	513,535,187	100.00

STATISTICS OF SHAREHOLDINGS

As at 18 November 2021

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	178,062,783	34.67
2	MAYBANK KIM ENG SECURITIES PTE.LTD	120,120,214	23.39
3	RAFFLES NOMINEES (PTE) LIMITED	54,096,971	10.53
4	OCBC SECURITIES PRIVATE LTD	47,605,633	9.27
5	PHILLIP SECURITIES PTE LTD	9,896,200	1.93
6	DBS NOMINEES PTE LTD	9,192,132	1.79
7	UOB KAY HIAN PTE LTD	5,648,300	1.10
8	BLACKRUN CORPORATE PTE LTD	5,245,000	1.02
9	HO CHEE TONG	5,000,000	0.97
10	ONG TOON WAH	4,800,000	0.93
11	QUAH SUAT LAY NANCY (KE XUELI NANCY)	4,384,600	0.85
12	CHONG YEAN FONG	3,000,000	0.58
13	SIM MONG CHUAN MERVYN (SHEN MAOQUAN)	2,500,000	0.49
14	IFAST FINANCIAL PTE LTD	2,350,600	0.46
15	LIU NAN	2,208,500	0.43
16	PRIMEPARTNERS CORPORATE FINANCE PTE LTD	1,250,000	0.24
17	ROMIEN CHANDRASEGARAN	1,239,100	0.24
18	LIM AND TAN SECURITIES PTE LTD	1,111,400	0.22
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,029,953	0.20
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	889,700	0.17
		459,631,086	89.48

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Ho Kwok Wai ¹	–	–	164,749,871	32.08
Mark Francis Bedingham ²	–	–	175,918,383	34.25
Fong Sing Chak Jack ³	–	–	1,000,000	0.19
Jet Palace Holdings Limited ¹	–	–	33,400,000	6.50
Taipan Grand Investments Limited ¹	–	–	77,933,000	15.2
The9 Singapore Pte. Ltd. ⁴	44,333,333	8.63	–	–
The9 Limited ⁴	–	–	44,333,333	8.63

Notes:

- Mr Ho Kwok Wai's aggregate deemed interest comprises 33,400,000 shares held by Jet Palace Holdings Limited, 77,933,000 shares held by Taipan Grand Investments Limited and 53,416,871 shares held by EFG Bank AG.
- Mr Mark Francis Bedingham is deemed to be interested in 175,918,383 shares held by Bank Julius Baer.
- Mr Fong Sing Chak Jack is deemed interested in 1,000,000 shares registered in the name of a nominee account.
- The9 Singapore Pte. Ltd. is a wholly-owned subsidiary of The9 Limited. As such, The9 Limited is deemed to be interested in 44,333,333 shares held by The9 Singapore Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SMI VANTAGE LIMITED (the “Company”) will be held by way of electronic means on Wednesday, 15 December 2021 at 2.00 p.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 March 2021 together with the Independent Auditors’ Report thereon. (Resolution 1)
2. To approve the payment of Directors’ fees of S\$160,000 for the financial year ended 31 March 2021. (2020: S\$160,000) (Resolution 2)
3. To re-elect and Mr Ho Kwok Wai, a Director who is retiring under Article 91 of the Company’s Constitution and who being eligible, will offer himself for re-election. (see explanatory note 1) (Resolution 3)
4. To re-elect and Mr Wong Yen Siang, a Director who is retiring under Article 91 of the Company’s Constitution and who being eligible, will offer himself for re-election. (see explanatory note 1) (Resolution 4)
5. That, subject to and contingent upon the passing of Resolution 6 and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST which takes effect from 1 January 2022: (Resolution 5)
 - (a) the continued appointment of Mr Wong Yen Siang as an independent director of the Company be and is hereby approved; and
 - (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Wong Yen Siang as a director of the Company or (ii) the conclusion of the third annual general meeting of the Company following the passing of this Resolution. (see explanatory note 2)
6. That, subject to and contingent upon the passing of Resolution 5 and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST which takes effect from 1 January 2022: (a) the continued appointment of Mr Wong Yen Siang as an independent director of the Company be and is hereby approved; and (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Wong Yen Siang as a director of the Company or (ii) the conclusion of the third annual general meeting of the Company following the passing of this Resolution. (see explanatory note 2) (Resolution 6)
7. To note the retirement of auditors, RSM Chio Lim LLP. (Resolution 7)

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modifications:

8. **Authority to Allot and Issue Shares** (Resolution 8)
 - “(A) That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), approval be and is hereby given to the Directors of the Company to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time to such persons and upon such terms and for such purposes as the Directors of the Company may in their absolute discretion deem fit; and
- (B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority was in force,

provided always that

- (a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) shall be based on the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

(see explanatory note 3)

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan** (Resolution 9)

“That, pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the awards under SMI Performance Share Plan (“**SMI PSP**”), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI PSP, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time.”

(see explanatory note 4)

10. **Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme** (Resolution 10)

“That, pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the options under SMI Employee Share Option Scheme (“**SMI ESOS**”), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI ESOS, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time.”

(see explanatory note 5)

11. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Wang Shin Lin, Adeline
Company Secretaries
Singapore

30 November 2021

EXPLANATORY NOTES:

1. Mr Wong Yen Siang will, upon re-election as a Director of the Company, remain as a Chairman of Audit Committee, a member of the Nominating Committee and a member of the Remuneration Committee.

The Directors who have offered themselves for re-election have each confirmed that, they do not have any relationships (including immediate family relationships) with other Directors, the Company, its related corporations or its substantial shareholders. Please refer to the “Disclosure of information on Directors seeking re-election” section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

2. Under Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders and (b) shareholders excluding the directors and the chief executive officer of the company and their associates (as defined in the Listing Manual of the SGX-ST). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the director or (ii) the conclusion of the third annual general meeting of the company following the passing of the resolutions.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 5 and Resolution 6 are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual as Mr Wong Yen Siang, an Independent Director, would have served as a Director of the Company for more than nine years from the date of his first appointment come 1 January 2022. Rule 210(5)(d)(iii) requires Resolution 5 to be voted by all shareholders of the Company and Resolution 6 by shareholders excluding the Directors and the Chief Executive Officer of the Company and their respective associates. Resolution 5 and Resolution 6, if both passed, will allow Mr Wong Yen Siang to continue in office as an Independent Director of the Company come 1 January 2022 pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST. If either Resolution 5 or Resolution 6 is not passed, Mr Wong Yen Siang will step down as a Director of the Company before 1 January 2022 and the Company will endeavour to fill the vacancy within two months, but in any case not later than three months.

Mr Wong Yen Siang will, upon re-election as a Director, remain as the Chairman of the Audit Committee, a member of the Nominating Committee and a member of the Remuneration Committee; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Disclosure of information on Directors seeking re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

3. The Company's auditors, RSM Chio Lim LLP will not be seeking re-appointment as external auditors of the Company. Shareholders' approval for the appointment of incoming external auditors of the Company will be sought at an Extraordinary General Meeting of the Company, the details of which will be made known to shareholders in due course.
4. The proposed Ordinary Resolution 8, if passed, will authorise and empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.
5. The proposed Ordinary Resolution 9 if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the awards under SMI PSP which was approved at the extraordinary general meeting of the Company on 30 July 2014, provided always that the aggregate number of shares to be issued under SMI PSP, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) for the time being.
6. The proposed Ordinary Resolution 10, if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the options under SMI ESOS which was approved at the extraordinary general meeting of the Company on 23 July 2017, provided always that the aggregate number of shares to be issued under SMI ESOS, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) for the time being.

IMPORTANT NOTES:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this Notice will not be sent to members.** Instead, this Notice will be sent to members by electronic means via publication on the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>. This Notice will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 30 November 2021. This announcement may be accessed at the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 3 December 2021, being 7 working days before the date of the Annual General Meeting.
6. The Chairman of the Meeting, as proxy, need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.

in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The Annual Report 2021 may be accessed at the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member'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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual 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 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 breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

LIVE WEBCAST OF THE COMPANY'S ANNUAL GENERAL MEETING TO BE HELD ON 15 DECEMBER 2021

The Board of Directors (“**Board**”) of SMI Vantage Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcements released by the Company on 3 May 2021, 28 May 2021 and 1 June 2021 relating to extension of time obtained by the Company to hold Annual General Meeting;
- (b) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, inter alia, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means;
- (c) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 3) Order 2020 which extended the application of alternative arrangements in respect of, *inter alia*, general meetings of companies until 30 June 2021;
- (d) the joint statement released by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020) which provides additional guidance on the conduct of general meetings during the period when elevated safe distancing measures are in place;

With reference to the Order, the Company wishes to inform that it will hold its AGM on 15 December 2021 at 2.00 p.m. (Singapore Time) by electronic means through a live webcast of the proceedings comprising both video (audiovisual) and audio-only feeds (“**Live AGM Webcast**”).

INSTRUCTIONS TO SHAREHOLDERS

Shareholders are to note the following instructions with regard to the Live AGM Webcast:

1. Alternative arrangements for participation at the AGM

- (a) Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM in person.
- (b) Shareholders may participate at the AGM by:
 - (i) watching or listening to the AGM proceeding via a live webcast;
 - (ii) submitting questions in advance of the AGM; and/or
 - (iii) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM, respectively.
- (c) Investors who hold the Company's shares through relevant intermediaries (as defined in section 181 of the Companies Act, Chapter 50 of Singapore), including Central Provident Fund (“**CPF**”) and Supplementary Retirement Scheme (“**SRS**”) investors, and who wish to participate in the AGM by:
 - (i) watching or listening to the AGM proceeding via a live webcast;
 - (ii) submitting questions in advance of the AGM; and/or
 - (iii) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM, respectively,

should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

NOTICE OF ANNUAL GENERAL MEETING

2. Registration to attend Live AGM Webcast

- (a) All shareholders who wish to follow the proceedings of the AGM through the Live AGM Webcast must pre-register online to create an account at the URL: <https://conveneagm.sg/smiagm2021> (“**Pre-registration**”) to enable the Company to verify their status as shareholders. The website will be open for Pre-registration from **1 December 2021, 9.00 a.m.** and will **close at 13 December 2021, 2.00 p.m.** (the “**Registration Deadline**”).
- (b) Investors who hold shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live AGM Webcast must approach their respective depository agents to pre-register **by 5.00 p.m. on 3 December 2021** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.
- (c) Following the verification, authenticated shareholders will receive an email on their authentication status **by 14 December 2021, 12.00 p.m.**, and will be able to access the Live AGM Webcast using the account created.
- (d) Shareholders must not forward the login details to join the Live AGM Webcast to other person who is not a shareholder of the Company and/or who is not authorised to attend the Live AGM Webcast. Recording of the Live AGM Webcast by shareholders in whatever form is also strictly prohibited.
- (e) Shareholders who have pre-registered by the Registration Deadline but do not receive an email response **by 14 December 2021, 12.00 p.m.** may contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 or sg.is.proxy@sg.tricorglobal.com, with the following details included: (i) the full name of the shareholder, and (ii) his/her/its identification/registration number.

3. Proxy Voting

- (a) As the Company’s constitution currently does not allow shareholders to submit their votes online, all shareholders who wish to vote at the AGM have to submit their proxy forms in advance and appoint the Chairman of the AGM as their proxy.
- (b) **Submission of proxy forms.** The duly completed and signed proxy form must be deposited via either the following means:
 - (i) **by post** to the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
 - (ii) **by email** to the Company’s Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case, **by 13 December 2021, 2.00 p.m.** (being not less than forty-eight (48) hours before the time for holding the AGM).

- (c) A shareholder who wishes to submit a proxy form must first download it from the SGXNet at <https://www.sgx.com/securities/company-announcements> or the Company’s website at <http://sin-mi.listedcompany.com/newsroom.html>, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
- (d) **In view of the current COVID-19 situation and the related precautionary measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms via email.**
- (e) Any incomplete or unsigned proxy forms will be treated as voided.
- (f) The proxy form is not valid for use by CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 5.00 p.m. on 3 December 2021.**

NOTICE OF ANNUAL GENERAL MEETING

4. Submission of Questions

- (a) **Shareholders will not be able to ask questions during the Live AGM Webcast, and therefore it is important for shareholders to pre-register and submit their questions in advance of the AGM.**
- (b) **Submission of questions.** All shareholders can submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, in the following manner:
- (i) **by post** to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or
- (ii) **by email** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.
- (c) When sending in their questions by post or email, shareholders are required to provide the Company with the following details to enable the Company to verify the shareholders' status:
- their full name;
 - their address; and
 - the manner in which they hold shares in the Company (e.g. via CDP, CPF or SRS).
- (d) **Deadline to submit questions.** All questions must be submitted **by 2.00 p.m. on 13 December 2021**.
- (e) **Addressing questions.** The Company will endeavour to address all substantial and relevant questions which shareholders have submitted in advance prior to or during the AGM through the Live AGM Webcast. The Company will publish the minutes of the AGM on its website, and the minutes will include the responses to substantial and relevant questions from shareholders which are addressed during the AGM.

5. Annual Report 2021 and related documents

The Annual Report 2021 may be accessed at the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

6. **Key dates/deadlines.** In summary, the key dates/deadlines which shareholders and investors should take note of are set out in the table below:

Key dates	Actions
9.00 a.m. on 1 December 2021	Shareholders may begin to pre-register at https://conveneagm.sg/smiagm2021 for live AGM webcast.
5.00 p.m. on 3 December 2021	Deadline for CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
2.00 p.m. on 13 December 2021	Deadline for shareholders to: <ul style="list-style-type: none"> • pre-register for live AGM webcast; • submit questions in advance of the AGM; • submit proxy forms appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.
12.00 p.m. on 14 December 2021	Authenticated shareholders will receive an email on their authentication status by 14 December 2021, 12.00 p.m. , and will be able to access the Live AGM Webcast using the account created. Shareholders who have pre-registered by the Registration Deadline but do not receive an email response by 14 December 2021, 12.00 p.m. may contact the Company's Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 or sg.is.proxy@sg.tricorglobal.com , with the following details included: (i) the full name of the shareholder, and (ii) his/her/its identification/registration number.

NOTICE OF ANNUAL GENERAL MEETING

If a shareholder or an investor has a question regarding any of the above procedures, please contact the Company's Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 (Mondays to Fridays, excluding public holidays, between 9.00 a.m. and 4.00 p.m.) or via email to sg.is.proxy@sg.tricorglobal.com.

Subject to any revision of the Order, government or any regulatory bodies imposing any new restrictions, the Live AGM Webcast will be conducted on 15 December 2021 with the above stated instructions. Shareholders are advised to regularly check the Company's announcements on SGXNet for any changes or updates on the AGM.

The Company would like to thank all shareholders for their patience, understanding and cooperation in enabling us to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
30 November 2021

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ho Kwok Wai and Mr Wong Yen Siang are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 15 December 2021 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	MR HO KWOK WAI	MR WONG YEN SIANG
Date of Appointment	6 November 2013	15 July 2005
Date of last re-appointment	31 July 2018	26 July 2019
Age	56	65
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr Ho Kwok Wai (“Patrick”) for re-appointment as Non-Executive Director and Chairman of the Company. The Board has reviewed and concluded that Patrick possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr Wong Yen Siang (“Mr Wong”) for re-appointment as Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Wong possess the experience, expertise, knowledge, and skills to continue contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman	Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee
Professional qualifications	Polytechnic University with a major in Management Accountancy	Bachelor of Commerce
Working experience and occupation(s) during the past 10 years	2010 – present Director and Consultant of Conscendo Capital Pte. Ltd.	Mr Wong started his career with a local bank after completed his Bachelor study. In his 21 years with the bank, he worked in various areas of responsibilities covering credit and marketing functions before pursuing new commercial opportunities in the automobile and engineering industries.
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interests: <ul style="list-style-type: none"> 33,400,000 shares held by Jet Palace Holdings Limited; 77,933,000 shares held by Taipan Grand Investments Limited; and 53,416,871 shares held by the nominee EFG Bank AG. 	None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR HO KWOK WAI	MR WONG YEN SIANG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Wisdom Union Corporation Limited 2. Tsuta International Limited 3. Tsuta International (TST) Limited 4. Conscendo Captial Management Limited (Cayman Islands) 5. Conscendo Strategic Holdings Limited (BVI) 6. One Rock Investments Limited 	None
Present	<ol style="list-style-type: none"> 1. Jet Palace Holdings Limited 2. Taipan Grand Investments Limited (BVI) 3. Conscendo Capital Pte Ltd 4. Hanma Biotech Asia Group Limited 5. Golden Dream Properties Limited 6. Forever Nice Holdings Limited 7. Rich Genius Holdings Limited 8. Genius Time Asia Limited 9. Sky Alliance Properties Limited 10. All Sino Limited 11. Faster Limited 12. Wider Ocean Limited 13. Good One Limited 14. Winner Up Limited 15. Ever Force Limited 16. Mega Power Development Limited 17. China Team Properties Limited 18. Million Nation Asia Limited 19. Atelier Fashion Limited 20. Karate Mind Group Limited (BVI) 21. One Rock Investment Pte Ltd 22. Conscendo Property Pte. Ltd. 23. SMI Vantage Limited 24. ARCC Urban Pte. Ltd. 	SMI Vantage Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR HO KWOK WAI	MR WONG YEN SIANG
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR HO KWOK WAI	MR WONG YEN SIANG
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR HO KWOK WAI	MR WONG YEN SIANG
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>	<p>No</p>

SMI VANTAGE LIMITED

(Company Registration Number 200505764Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>. A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT:

1. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
2. This Proxy Form is not valid for use by CPF/ SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/ SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 3 December 2021 to submit their votes.
3. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 November 2021.

I/We, _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a member/members of SMI VANTAGE LIMITED (the "Company"), hereby appoint the **Chairman of the Meeting** as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on 15 December 2021 at 2.00 p.m. (Singapore time) and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Directors' Statements and Audited Financial Statements for financial year ended 31 March 2021 together with the Independent Auditors' Report thereon.			
2.	Approval of Directors' fees amounting to S\$160,000 for financial year ended 31 March 2021.			
3.	To re-elect and Mr Ho Kwok Wai, a Director who is retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election.			
4.	To re-elect and Mr Wong Yen Siang, a Director who is retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election.			
5.	Approval for continued appointment of Mr Wong Yen Siang as an independent director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect 1 January 2022).			
6.	Approval for continued appointment of Mr Wong Yen Siang as an independent director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect 1 January 2022).			
7.	To note the retirement of auditors, RSM Chio Lim LLP.			
SPECIAL BUSINESS				
8.	Authority to allot and issue new shares in the Company and make/grant/offer Instruments.			
9.	Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan.			
10.	Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme.			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2021

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

Signature of member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares held by you.
2. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at <http://sin-mi.listedcompany.com/newsroom.html>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 3 December 2021, being 7 working days before the date of the Annual General Meeting.
5. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



SMI VANTAGE LIMITED

300 Beach Road
31-03 The Concourse
Singapore 199555
www.sin-mi.com

creb
Tel: 63278398