

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the “Board”) of SMI Vantage Limited (the “Company”, together with its subsidiaries, referred to as the “Group”) refers to the announcement released by the Company on 4 December 2019 that the Singapore Exchange Securities Trading Limited (the “SGX-ST”) had placed the Company on the Watch-list pursuant to the Financial Entry Criteria under Listing Rule 1311(1) with effect from 4 December 2019.

Update on financial position

Please refer to the announcement of the unaudited financial statement of the Group for the reporting period ended 30 September 2022, released via the SGXNet on 11 November 2022, for an update on the Group’s financial performance and financial position.

The YIA reopened on 17 April 2022, however, with a limited flight schedule reflecting the expectation that destinations and passenger traffic will only build slowly over the next several months. Travel retail has been the Group’s major business in Myanmar and so the opening of the airport is welcomed even if initial revenue expectations are conservative. The Group continues to monitor its operating costs and has obtained extensive rent reductions and rent mitigations with its landlords as well as rebalancing organization related costs in the country.

The Group’s cash position has been improved and strengthened after the completion of a share placement in September 2021 and a conversion of USD5 million shareholder’s loan from Mark Francis Bedingham to equity shares in October 2021. Further shareholders’ loan of USD3.3 million was obtained from Mark Francis Bedingham.

The Group has raised US\$0.5 million during 1HFY2023 and is also looking to raise additional funding in conformity with the mandate received at the Group’s Annual General Meeting held on 15 December 2021.

Update on Efforts for satisfying Financial Exit Criteria

The Board has welcomed the reopening of the YIA in April 2022 which will allow for the resumption of the Group’s travel retail business; Although the recovery of passenger traffic is expected to be slow over the first 6 months or so. In addition, the Board has noted some improvement in revenue generated from the Group’s F&B business as well as some recovery in the Group’s local business partner’s retail business in the domestic market. The Board also noted that crypto currency mining has started in April 2022, with a slight delay from the original schedule in February 2022, in the two locations previously identified (Melaka and Brunei) and this confirms the Group’s operational ability to expand into this new business area.

An Extraordinary General Meeting was held on 19th April 2022 which confirmed the Shareholders’ approval to the new business direction of SMI including crypto mining business.

Following on from the successful test installation of 50 crypto mining machines in Melaka in April 2022, a further 50 crypto mining machines was installed and started mining in Brunei in May 2022. Company has also acquired an additional 3,000 crypto machines from The9, with 1,500 machines have been delivered to Brunei. The remaining 1,500 crypto mining machines have been shipped from Shanghai, China to Singapore and are expected to installed in 2H FY2023. The Group has acquired 6 high hash rate machines, which have been installed in Malacca and has announced the intention to acquire more such machines taking advantage of lower machine prices.

SMI Vantage was a sponsor of Bitcoin 2022 in Miami and the Group’s CEO, Mark Bedingham, together with a member of the Advisory Board, Dr. Clemen Chiang, travelled to the conference and they were able to establish a network of crypto mining machine and service providers. This will allow the Group to source hardware and software from the leaders in the industry.

As at the date of writing, the Group has entered into a subscription agreement with Octo Force Capital Partners Co., Ltd. for the allotment and issuance by the Company of 32,427,632 new fully-paid ordinary shares in the capital of the Company to the Subscriber, at the issue price of S\$0.0304

SMI VANTAGE LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

for each Subscription Share, for an aggregate consideration of JP¥100,000,000 (SGD 985,800) to be paid by the Subscriber to the Company pursuant to the terms and subject to the conditions of the Subscription Agreement.

The Group has also signed an exclusive Franchise Agreement to roll out a unique A.I.-inspired F&B concept, Robochef, in Singapore and to explore opportunities in Asia Pacific. The Group targets to open up to 5 Robochef outlets in Singapore within the first 12 months starting with the first pilot outlet in Q1, 2023.

In the meantime, the Company would like to notify all its shareholders and business partners that the Group's business continues as usual, and trading in its securities will also continue in the ordinary course, unless a trading halt or suspension is effected in accordance with the Listing Rules.

By Order of the Board

Mark Francis Bedingham

President and Chief Executive Officer

11 November 2022