

## **SMI VANTAGE LIMITED**

(Registration No. 200505764Z)

(Incorporated in Singapore)

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

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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 audited financial statement of the Group for the reporting year ended 31 March 2023, released via the SGXNet on 14 July 2023 (subsequently superseded by the announcement made on 3 August 2023), for an update on the Group’s financial performance and financial position.

Yangon International Airport (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 since January 2023.

The Group has obtained an additional shareholder loan of S\$2.0 million on 26 January 2023, US\$0.075 million on 29 May 2023, and US\$1.5 million from Mark Francis Bedingham on 27 June 2023, and is also looking to raise additional funding in conformity with the mandate received at the Group’s Annual General Meeting held on 31 July 2023.

On 30 June 2023, the Group has fully repaid its external bank borrowing amounting to US\$1.5 million. Following this repayment, the Group does not have any outstanding external bank borrowings.

The Group has also obtained undertakings from the shareholders not to recall the shareholders’ loans of US\$7.6 million.

#### **Update on Efforts for satisfying Financial Exit Criteria**

The Board has welcomed the reopening of the YIA in April 2022 which allowed for the resumption of the Group’s travel retail business; although the recovery of passenger traffic has been slow as expected over the first year, there has been an increase in international passenger flights leading to an increase in travel retail customers and revenue over the last six months. 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.

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

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 has opened 3 Robochef outlets in Singapore to date, with further outlets under consideration for opening during FY2024. The Group is also in discussion to provide Robochef machines for F&B operations in Asia Pacific, and will update shareholders when such an opportunity is finalised.

The Group is in discussion to finalise a new location for its bitcoin mining operations. An agreement has been signed with SOVSYSTEK of Malaysia to identify suitable locations as disclosed in our annual report. This will allow for the relocation of existing cryptomining machines to be supplemented by the acquisition of new machines. The Group will advise shareholders once this opportunity has been finalized in the coming weeks.

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**Update on Efforts for satisfying Financial Exit Criteria (Cont'd)**

On 27 June 2023, the Group announced it has entered into a sale and purchase agreement to acquire 255,000 ordinary shares representing 51% of the issued and paid share capital of Provino Logistics Pte Ltd ("Provino") for a total consideration of S\$1.7 million. The acquisition will be funded via the allotment and issuance of new shares of the Company and cash payment to the acquiree of S\$1.2 million and S\$0.5 million respectively. This is part of the Group's corporate strategy to diversify and expand into complementary business areas within the food and beverage industry and the proposed acquisition will provide the group with a new source of revenue and further develop the Group's business.

The Group continues to look for further business opportunities in Singapore in accordance with the revised new business goals as set out in the approved Extraordinary General Meeting held on 19 April 2022 and will advise shareholders when such an opportunity is finalized.

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**

14 August 2023