

# **SMI Vantage Limited and its Subsidiaries**

**Unaudited Condensed Interim Financial Statements  
For The First Half Year and Six Months Ended 30 September 2023**

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**SMI Vantage Limited**  
**(Company Registration No. 200505764Z)**  
**Condensed Interim Financial Statements**  
**For the First Half Year and Six Months Ended 30 September 2023**

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(In US\$'000)	Note	Group		
		6 Months Ended		
		30 Sept 2023	30 Sept 2022*	% Change
<b>Description</b>				
<b>Revenue</b>	2	1,288	809	59%
Cost of sales	2	(985)	(925)	6%
<b>Gross profit/(loss)</b>		303	(116)	361%
<b>Other items of income</b>				
Other income and gains		18	444	(96%)
<b>Other items of expenses</b>	2			
Distribution costs		(409)	(268)	53%
Administrative expenses		(1,458)	(975)	49%
Finance costs		(212)	(279)	(24%)
Share of results of Associates, net of tax		–	–	–
Share of results of Jointly-controlled Entities, net of tax		(6)	(30)	80%
<b>Loss before tax from continuing operations</b>	4	(1,764)	(1,224)	44%
Income tax expenses	5	(26)	–	–
Loss from continuing operations, net of tax	2	(1,790)	(1,224)	46%
(Loss)/Profit from discontinued operations, net of tax	2	(3)	1	(400%)
<b>Total comprehensive loss for the period</b>	<b>2</b>	<b>(1,793)</b>	<b>(1,223)</b>	<b>47%</b>
<b>Loss attributable to:</b>				
- Owners of the Company		(1,793)	(1,223)	47%
- Non-controlling interests		–	–	–
<b>Loss for the period</b>		<b>(1,793)</b>	<b>(1,223)</b>	<b>47%</b>
<b>Total comprehensive loss attributable to:</b>				
- Owners of the Company		(1,793)	(1,223)	47%
- Non-controlling interests		–	–	–
<b>Total comprehensive loss for the period</b>		<b>(1,793)</b>	<b>(1,223)</b>	<b>47%</b>
<b>Loss per share from continuing and discontinued operations attributable to equity holders of the Company</b>				
Basic loss per share (US\$ in cents)		(0.43)	(0.23)	(86%)
Diluted loss per share (US\$ in cents)		(0.43)	(0.23)	(85%)

\* Comparative information has been restated for 1HFY2023  
n.m. denotes not meaningful.

**SMI Vantage Limited**  
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**Condensed Interim Financial Statements**  
**For the First Half Year and Six Months Ended 30 September 2023**

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(In US\$'000)	Note	Group		Company	
		30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
<b>Description</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and Equipment	9	3,668	5,128	226	292
Intangible Assets	8	–	35	–	–
Right-of-Use Assets		517	88	246	39
Investments in Subsidiaries		–	–	74	–
Investments in Jointly-controlled Entities		420	568	405	900
Trade and Other Receivables, Non-Current	10	13,865	16,757	18,098	18,062
Other Non-Financial Assets		64	40	27	25
<b>Total Non-Current Assets</b>		<b>18,534</b>	<b>22,616</b>	<b>19,076</b>	<b>19,318</b>
<b>Current Assets</b>					
Inventories		88	35	–	–
Trade and Other Receivables	10	5,043	2,279	5,412	7,475
Other Non-Financial Assets		487	596	39	549
Cash and Cash Equivalents	3	182	2,447	1	102
<b>Total Current Assets</b>		<b>5,800</b>	<b>5,357</b>	<b>5,452</b>	<b>8,126</b>
<b>Total Assets</b>		<b>24,334</b>	<b>27,973</b>	<b>24,528</b>	<b>27,444</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owners of the Company</b>					
Share Capital	13	68,602	67,890	68,602	67,890
Accumulated Losses		(60,100)	(56,244)	(56,295)	(47,949)
Employee Share Option Reserves		25	56	25	56
<b>Total Equity Attributable to Owners of the Company Representing Total Equity</b>		<b>8,527</b>	<b>11,702</b>	<b>12,332</b>	<b>19,997</b>
<b>Non-Current Liabilities</b>					
Lease Liabilities	11	391	998	180	–
Other Financial Liabilities	11	10,136	8,739	10,136	5,890
<b>Total Non-Current Liabilities</b>		<b>10,527</b>	<b>9,737</b>	<b>10,316</b>	<b>5,890</b>
<b>Current Liabilities</b>					
Trade and Other Payables	12	4,430	3,638	1,785	1,472
Provision for Other Liabilities		38	35	38	35
Lease Liabilities	11	109	565	51	49
Income and Other Tax Payable		703	796	6	1
Other Financial Liabilities	11	–	1,500	–	–
<b>Total Current Liabilities</b>		<b>5,280</b>	<b>6,534</b>	<b>1,880</b>	<b>1,557</b>
<b>Total Liabilities</b>		<b>15,807</b>	<b>16,271</b>	<b>12,196</b>	<b>7,447</b>
<b>Total Equity and Liabilities</b>		<b>24,334</b>	<b>27,973</b>	<b>24,528</b>	<b>27,444</b>

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**Condensed Interim Financial Statements**  
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**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>Group</b> <b>(In US\$'000)</b>	<b>Share capital</b> <b>A</b>	<b>Accumulated</b> <b>losses</b> <b>B</b>	<b>Employee share</b> <b>option reserves</b> <b>C</b>	<b>Total equity</b> <b>D = A + B + C</b>
<b>FY2024</b>				
<b>Balance at 01 Apr 2023</b>	68,602	(58,307)	25	10,320
<b>Movements in Equity:</b>				
Total comprehensive loss for the period	–	(1,793)	–	(1,793)
<b>Balance at 30 Sept 2023</b>	<b>68,602</b>	<b>(60,100)</b>	<b>25</b>	<b>8,527</b>
<b>FY2023</b>				
<b>Balance at 01 Apr 2022</b>	66,895	(55,021)	61	11,935
<b>Movements in Equity:</b>				
Adjustments to beginning balance	(57)	–	–	(57)
Issue of shares under share placement	486	–	–	486
Share-based payments	566	–	(5)	561
Total comprehensive loss for the period	–	(1,223)	–	(1,223)
<b>Balance at 30 Sept 2022</b>	<b>67,890</b>	<b>(56,244)</b>	<b>56</b>	<b>11,702</b>

<b>Company</b> <b>(In US\$'000)</b>	<b>Share capital</b> <b>A</b>	<b>Accumulated</b> <b>Losses</b> <b>B</b>	<b>Employee share</b> <b>option reserves</b> <b>C</b>	<b>Total equity</b> <b>D = A + B + C</b>
<b>FY2024</b>				
<b>Balance at 01 Apr 2023</b>	68,602	(55,072)	25	13,555
<b>Movements in Equity:</b>				
Total comprehensive loss for the period	–	(1,223)	–	(1,223)
<b>Balance at 30 Sept 2023</b>	<b>68,602</b>	<b>(56,295)</b>	<b>25</b>	<b>12,332</b>
<b>FY2023</b>				
<b>Balance at 01 Apr 2021</b>	66,895	(47,086)	61	19,870
<b>Movements in Equity:</b>				
Adjustments to beginning balance	(57)	–	–	(57)
Issue of shares under share placement	486	–	–	486
Share-based payment	566	–	(5)	561
Total comprehensive loss for the period	–	(863)	–	(863)
<b>Balance at 30 Sept 2022</b>	<b>67,890</b>	<b>(47,949)</b>	<b>56</b>	<b>19,997</b>

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**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

(In US\$'000)	Note	Group	
		6 months ended 30 Sept 2023	6 months ended 30 Sept 2022
<b>Cash flows from operating activities</b>			
Loss before tax from continuing operations		(1,761)	(1,224)
(Loss)/Profit before tax from discontinued operations		(3)	2
<b>Loss before tax</b>		<b>(1,764)</b>	<b>(1,222)</b>
<b>Adjustments for:</b>			
Depreciation of plant and equipment		559	753
Amortisation of intangible assets		5	30
Depreciation of right-of-use assets		110	67
Finance expenses		212	279
Share of results of Jointly controlled Entities - net of tax		6	30
Gain on termination of leases		-	(66)
Share based payments		-	(5)
Foreign exchange adjustment - unrealised gains		(12)	(222)
<b>Operating cash flows before changes in working capital</b>		<b>(884)</b>	<b>(356)</b>
<b>Changes in working capital</b>			
Inventories		32	(12)
Trade and other receivables		(224)	723
Other non-financial assets		(206)	(41)
Trade and other payables		20	(110)
<b>Net cash flows (used in)/generated from operations</b>		<b>(1,262)</b>	<b>204</b>
Income tax paid		(26)	(1)
<b>Net cash (used in)/generated from operating activities</b>		<b>(1,288)</b>	<b>203</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(69)	(57)
Interest received		*	*
<b>Net cash used in investing activities</b>		<b>(69)</b>	<b>(57)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(90)	(105)
Repayment of borrowings		(1,500)	-
Proceeds from issuance of shares		-	486
Proceeds from loans from shareholders		2,601	300
Interest paid		(212)	(210)
<b>Net cash generated from financing activities</b>		<b>799</b>	<b>415</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(558)</b>	<b>561</b>
Cash and cash equivalents at the beginning of the period		750	2,359
Effects of exchange rate changes on cash balances held in foreign currencies		(10)	(473)
<b>Cash and cash equivalents at the end of the period</b>	3	<b>182</b>	<b>2,447</b>

\* Less than US\$1,000

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate information**

SMI Vantage Limited (the “Company”) is incorporated and domiciled in Singapore and the Company’s shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements comprise of the Company and its subsidiaries (collectively, the “Group”). The registered office and principal place of business of the Company is 300 Beach Road #31-03, The Concourse, Singapore 199555.

The Board of Directors approved and authorised these condensed interim consolidated financial statements for issue on the date of this announcement.

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

### **2. Basis of preparation**

These condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the 6 months ended 30 September 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and financial performance of the Group since the last audited annual financial statements for the financial year ended 31 March 2023.

The condensed interim consolidated financial statements are presented in United States Dollars (“USD” or “US\$”), which is the functional currency of the Company. All values in the tables are rounded to nearest thousand (US\$’000), except when otherwise indicated.

The accounting policies and methods of computation applied in these condensed interim consolidated financial statements are consistent with those of the latest audited annual financial statements for the financial year ended 31 March 2023, except for the adoption of new and amended standards effective for annual periods beginning on or after 1 April 2023. The adoption of these new and amended standards has no material effect on the condensed interim consolidated financial statements of the Group.

#### **2.1 Critical judgements, assumptions, and estimation uncertainties**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the financial year ended 31 March 2023.

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

#### **2.2 Financial information by operating segments**

The business activities of the Group are organised into the following key segments:

- (a) Travel and Fashion Retail
- (b) Food & Beverage (F&B)
- (c) Cryptocurrency Mining

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

### **2.2 Financial information by operating segments (Cont'd)**

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

The accounting policies of the reportable segments for Travel and Fashion Retail, and F&B and Cryptocurrency Mining are the same as the Group's accounting policies applied to the consolidated financial statements for the financial year ended 31 March 2023.

#### **2.2.1 Reportable segments**

(In US\$'000)					
Description	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Unallocated	Total
<b>01 Apr 2023 to 30 Sept 2023</b>					
Segment revenue					
- Sales to external customers	687	601	-	-	1,288
Segment result					
- Recurring EBITDA	277	(157)	(32)	(975)	(887)
Miscellaneous income	-	3	-	11	14
Finance costs	(30)	(7)	-	(175)	(212)
Depreciation and amortisation	(448)	(124)	(14)	(87)	(673)
	(201)	(285)	(46)	(1,226)	(1,758)
Share of results of Jointly controlled Entities, net of tax	-	-	-	(6)	(6)
Tax expenses	(26)	-	-	-	(26)
Loss from continuing operations, net of tax	(227)	(285)	(46)	(1,232)	(1,790)
Loss from discontinued operations	-	-	-	(3)	(3)
<b>Loss for the period</b>	<b>(227)</b>	<b>(285)</b>	<b>(46)</b>	<b>(1,235)</b>	<b>(1,793)</b>
<b>01 Apr 2022 to 30 Sept 2022</b>					
Segment revenue					
- Sales to external customers	455	337	17	-	809
Segment result					
- Recurring EBITDA	497	101	(23)	(687)	(112)
Miscellaneous income	-	4	32	11	47
Finance (costs)/income	(205)	7	(1)	(80)	(279)
Depreciation and amortisation	(632)	(84)	(27)	(107)	(850)
	(341)	28	(19)	(863)	(1,194)
Share of results of Jointly controlled Entities, net of tax	-	-	-	(30)	(30)
(Loss)/Profit from continuing operations, net of tax	(341)	28	(19)	(893)	(1,224)
Profit from discontinued operations	-	-	-	1	1
<b>(Loss)/Profit for the period</b>	<b>(341)</b>	<b>28</b>	<b>(19)</b>	<b>(892)</b>	<b>(1,223)</b>
<b>(In US\$'000)</b>					
Description	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Unallocated	Total
<b>30 Sept 2023</b>					
Total assets	20,835	2,365	769	365	24,334
Total liabilities	3,018	909	49	11,831	15,807
<b>30 Sept 2022</b>					
Total assets	23,581	1,785	764	1,843	27,973
Total liabilities	7,496	544	74	8,156	16,271



## E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 2.2.2 Disaggregation of revenue

(In US\$'000) Description	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Consolidated
<b>01 Apr 2023 to 30 Sept 2023</b>				
Recognition of revenue at point of sale of goods	687	601	–	1,288
Less: Sales return from customers	–	–	–	–
	687	601	–	1,288
<u>Geographical information</u>				
Myanmar	687	549	–	1,236
Singapore	–	52	–	52
Total revenue	687	601	–	1,288
<b>01 Apr 2022 to 30 Sept 2022</b>				
Recognition of revenue at point of sale of goods	479	337	17	833
Less: Sales return from customers	(24)	–	–	(24)
	455	337	17	809
<u>Geographical information</u>				
Myanmar	455	337	–	792
Singapore	–	–	17	17
Total revenue	455	337	17	809

### 3. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company.

(In US\$'000) Description	Group		Company	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
<b>Financial Assets</b>				
<b><u>At amortised cost</u></b>				
Cash and bank balances	182	2,447	1	102
Trade and other receivables	18,908	19,036	23,510	25,537
	<b>19,090</b>	<b>21,483</b>	<b>23,511</b>	<b>25,639</b>
<b>Financial Liabilities</b>				
<b><u>At amortised cost</u></b>				
Borrowings	10,136	10,239	10,136	5,890
Lease liabilities	500	1,563	231	49
Trade and other payables	4,430	3,638	1,785	1,472
	<b>15,066</b>	<b>15,440</b>	<b>12,152</b>	<b>7,411</b>

### 4. Profit before taxation

#### 4.1 Significant items

(In US\$'000) Description	Group	
	30 Sept 2023	30 Sept 2022
Interest on borrowings	212	279
Depreciation and amortisation of plant and equipment, and intangible assets	674	850
Foreign exchange loss/(gain), net	9	(328)
Rental of premises	117	94

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

### **4. Profit before taxation (Cont'd)**

#### **4.2 Related party transactions**

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in the 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 the consolidated financial statements are not disclosed as related party transactions and balances. There are no material related party transactions in this reporting year/period, except for the loans from shareholders and the interest paid on the loans as disclosed under Section 7, Interested Person Transactions under Other Information Required by Listing Rule Appendix 7.2.

### **5. Taxation**

Since the Group is loss making, there are no income tax expenses in both 1HFY2024 and 1HFY2023.

### **6. Dividends**

No dividend has been declared or recommended for the period ended 30 September 2023.

### **7. Net Asset Value**

Description	Group		Company	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
No of ordinary shares	573,222,910	540,795,278	573,222,910	540,795,278
Net asset value per ordinary share (US\$ in cents)	0.03	0.02	0.02	0.02

### **8. Intangible assets**

(In US\$'000) Description	Group		
	Franchise fees	License fees	Total
<b>As at 30 September 2023</b>			
Cost	725	270	995
Accumulated amortisation and impairment	(725)	(270)	(995)
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 30 September 2022</b>			
Cost	725	270	995
Accumulated amortisation and impairment	(690)	(270)	(960)
<b>Net book amount</b>	<b>35</b>	<b>-</b>	<b>35</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

### **9. Plant and equipment**

During the six months ended 30 September 2023, the Group acquired assets of US\$69,000 (30 September 2022: US\$310,000). There were no disposal of assets during the current period.

### **10. Trade and other receivables**

The Group's and the Company's trade and other receivables are set out as below:

Description	Group		Company	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
<b><u>Trade receivables</u></b>				
Third parties	21,910	22,753	76	–
Subsidiaries		–	47,349	44,122
Associates	2,185	1,989	–	–
Less: Allowance for impairment	(5,908)	(5,985)	(24,612)	(19,414)
<b>Net trade receivables</b>	<b>18,187</b>	<b>18,757</b>	<b>22,813</b>	<b>24,708</b>
<b><u>Non-trade &amp; other receivables</u></b>				
Third parties	1,062	51	1,062	744
Deferred consideration from disposal of subsidiaries	–	297	–	–
Joint ventures	267	257	67	54
Associates	14	14	14	14
GST/commercial tax receivable	40	187	16	17
Less: Allowance for impairment	(662)	(527)	(462)	–
<b>Total trade and other receivables</b>	<b>18,908</b>	<b>19,036</b>	<b>23,510</b>	<b>25,537</b>

### **11. Lease liabilities and other financial liabilities**

The Group's and the Company's lease liabilities and other financial liabilities are set out as below:

Description	Group		Company	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
<b><u>Amount repayable within one year or on demand</u></b>				
Secured loans	–	1,500	–	–
Lease liabilities	109	565	51	49
<b>Total</b>	<b>109</b>	<b>2,065</b>	<b>51</b>	<b>49</b>
<b><u>Amount repayable after one year</u></b>				
Secured loans	–	2,849	–	–
Unsecured loans	10,136	5,890	10,136	5,890
Lease liabilities	391	998	180	–
<b>Total</b>	<b>10,527</b>	<b>9,737</b>	<b>10,316</b>	<b>5,890</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

### **12. Trade and other payables**

The Group's and the Company's trade and other payables are set out as below:

Description	Group		Company	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
Third parties	2,630	2,182	208	169
Subsidiaries	–	–	105	101
Accrued liabilities	1,306	1,134	1,240	961
Joint ventures	91	81	3	3
Associates	103	28	29	29
Others	300	213	200	209
<b>Total trade and other payables</b>	<b>4,430</b>	<b>3,638</b>	<b>1,785</b>	<b>1,472</b>

### **13. Share capital**

	Group and Company			
	30 Sept 2023		30 Sept 2022	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
<b>Beginning of interim period/financial year</b>	573,222,910	68,602	513,535,187	66,895
Issue of ordinary shares:				
Share placements	–	–	18,698,062 <sup>(a)</sup>	429
Conversion of shareholder's loans and accrued interests	–	–	–	–
Share based payments	–	–	8,562,029 <sup>(a)</sup>	566
<b>End of interim period/financial year</b>	<b>573,222,910</b>	<b>68,602</b>	<b>540,795,278</b>	<b>67,890</b>

<sup>(a)</sup> On 22 April 2022, 7,834,757 shares were issued to The9 in connection with the Purchase of Cryptocurrency Mining Machines ("The9 Consideration Shares") amounting to US\$0.51 million. On the same day, the Company issued 727,272 shares to a former director and of its directors pursuant to the Proposed Capitalisation of Directors' Fees (collectively, "Conversion Shares") amounting to US\$0.06 million. On 19 Aug 2022, 6,232,687 shares were issued to Octo Force Capital Partners Co., Ltd, 2,770,083 shares were issued to Tomohiro Iwata, 1,385,042 shares were issued to Patrick Daniel, 6,925,208 shares were issued to JPM Alliance Pte Ltd and 1,385,042 shares were issued to Lu Chai Hong for the share placement.

During the six months period ended 30 September 2022, the total number of the grant of Employee Share options has decreased to 307,600 due to the lapse of options previously granted to the former Group Financial Controller and key management personnel, Gao Guanyi, who has ceased to be in employment with the Company effective on 1 August 2022.

The Company did not hold any treasury shares as of 30 September 2023 and 30 September 2022 and the Company's subsidiaries do not hold any shares in the Company as of 30 September 2023 and 30 September 2022.

### **14. Subsequent events**

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

## **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Review**

The consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and the accompanying explanatory notes have not been audited or reviewed by the auditors.

### **2. Review of the Group's financial performance**

The Group's primary business segment, Travel Retail sales has increased by 50% to US\$687k for 1H FY2024 as compared to 1H FY2023 and has been recovering gradually since Yangon International Airport ("YIA") reopened on 17 April 2022.

Food & Beverage ("F&B") operations has also seen an improvement of nearly 2 times to US\$601k as compared to 1H FY2023. This improvement was aided by the opening of 3 Robochef outlets in Singapore and the resumption of dine-in at cafes and outlets in the Groups F&B operations in Yangon.

The Group's overall revenue for 1H FY2024 increased by 59% to US\$1,288k as compared to 1H FY2023.

**Other items of income** decreased by 96%, or US\$426k as compared to 1H FY2023 due to foreign exchange gain from the revaluation of the Myanmar Kyat denominated loans and gain from lease modification of US\$66k due to new rental rates being negotiated with various landlords of F&B outlets in prior period.

The Group commenced crypto mining from April 2022, following the approval of the new business from shareholders during the EGM held on 19 April 2022. Cryptocurrency mining machines were being installed and mining operations started in Melaka and Brunei in April and May 2022 respectively, however the operations were paused when the value of Bitcoin decreased significantly in September 2022. As a result, the Group has not generated any mining income from conversion of mined bitcoins into cash in 1HFY2024. The Group has since announced through a media release on 14 September 2023 that an Offer-to-Rent agreement had been signed with a landlord to develop its Bitcoin mining business in Sarawak, and is expected to resume its Bitcoin mining operations in 3Q FY2024.

**Selling & distribution costs** increased by 53%, or US\$141k mainly due to costs incurred for the new F&B business in Singapore which began operating from 31 March 2023.

**Administrative expenses** increased by 49%, or US\$483k mainly due to restitution of senior management salary compared to prior period, additional headcounts for new F&B business and, legal and professional fees incurred for the new acquisition during the current period.

**Depreciation charges** decreased by US\$151k as more retail assets have been fully depreciated.

**Finance costs** represents interest cost on shareholders' loans and bank borrowings, and notional interest costs imputed on lease liabilities recognised on the leases contracted under its F&B businesses and the Singapore office. The decrease of 24%, or US\$67k in finance costs was mainly attributable to the repayments of the secured bank loans on 31 March 2023 and 27 June 2023 respectively.

**Discontinued operations** - As previously announced, the Group ceased its operations under the Tower, Car Rental and Mobile segments in FY2021 and further discontinued its Serviced Office business segment in FY2022. The Group's Joint Venture with DKSH for the distribution of Levi's products ceased on 31 March 2022 as a result of DKSH informing the Group that DKSH's commercial arrangements with Levi's had ended.

## F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

### 2. Review of the Group's financial performance (Cont'd)

The results of the discontinued operations for the Group are as follows:

(In US\$'000) Description	The Group	
	30 Sept 2023	30 Sept 2022
Revenue	-	-
Cost of Sales	-	-
Gross Profit	-	-
Other Items of Income		
Other Income	-	-
Other Gains	-	4
Other Items of Expenses		
Selling & Distribution Costs	-	-
Administrative Expenses	(3)	(2)
Finance Costs	-	-
Other Charges	-	-
(Loss)/Profit Before Income Tax from Discontinued Operations	(3)	2
Income Tax Expense	-	(1)
<b>(Loss)/Profit from Discontinued Operations, Net of Tax</b>	<b>(3)</b>	<b>1</b>

### 3. Review of the Group's financial position

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

(In US\$'000) Description	Group	
	30 Sep 2023	30 Sept 2022
Cash and bank balances	182	2,447

As at the end of the reporting period, the Group's cash and cash equivalents decrease by US\$0.57 million from US\$0.80 million as of 31 March 2023 to US\$0.18 million as of 30 September 2023. The decrease is mainly due to the offset of net cash used in operating activities of US\$1.29 million and net cash used in investing activities of US\$0.07 million against the proceeds from financing activities of US\$0.8 million and effects of exchange rate changes on cash balances held in foreign currencies of USD\$0.01 million.

**Trade and other receivables** increase by US\$0.22 million mainly attributable from the increase in sales to the Group's local business partners and associates.

**Trade and other payables** increase by US\$0.02 million due to longer repayment terms with the suppliers negotiated since FY2022. The repayments with the suppliers are on schedule.

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

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

## **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

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

The Yangon International Airport (“YIA”) reopened on 17 April 2022, and passenger traffic has been recovering gradually. As of April 2023, the number of daily flights operating out of YIA is 55% of pre-pandemic levels, and this is expected to gradually increase throughout FY2024. 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 announced through a media release on 14 September 2023 that the Group had signed an Offer-to-Rent agreement with a landlord to develop its BTC mining operations in Sarawak and will begin its BTC mining operations during 3Q FY2024. The Group has the intention to acquire more high hash rate machines during 3Q FY2024, taking advantage of lower machine prices to acquire more profitable machines.

The Group has continued to roll out its unique A.I.-inspired F&B concept, Robochef, in Singapore, with 3 outlets currently in operation, and with more outlets being planned for opening in Singapore in 2H FY2024. The Group is also exploring opportunities for this Robochef concept in Asia Pacific during 2H FY2024.

On 27 June 2023, the Group announced that 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.

On 18 October 2023, the Group announced the receipt of the Approval In-Principle from the SGX for the listing and quotation of the new shares. Subsequently, on 27 October 2023, the Group announced that the consideration shares have been allotted and issued.

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.

### **6. Dividend**

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

## **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

### **7. Interested person transactions**

During the current period, the Group obtained a further US\$1.85 million of shareholder's loan from Mark Francis Bedingham. Interest is accrued on indebtedness at the rate of 2.34% per annum which represents less than 3% of the last audited consolidated net tangible assets of the Company of approximately US\$9,254,000 as of 31 March 2023. The loans provided have been used for working capital and repayment of a bank loan.

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

<b>(In US\$'000)</b>	<b>Loan amount</b>	<b>Interest accrued</b>	<b>Total</b>
Ho Kwok Wai	1,940	232	2,172
Mark Francis Bedingham	6,000	208	6,208
<b>Total</b>	<b>7,940</b>	<b>440</b>	<b>8,380</b>

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

### **8. Use of proceeds**

The Company has also received gross proceeds from the placement of approximately US\$0.7 million on 16 December 2022. The utilisation of the gross proceeds from the placement is set out as below:

	<b>Amount utilised US\$'000</b>
Placement proceeds	698
Investment in cryptocurrency mining business (including machines)	(72)
Investment in F&B Robochef business (including renovation, fitting & machine)	(130)
Payment for professional services in relation to the share placement and share conversion	(37)
Professional advisory for F&B Robochef business	(65)
Payment for operating expenses:	
- Staff costs	(185)
- Business travelling expenses	(5)
- Office rental expenses	(114)
- Payment for professional fees for corporate actions	(1)
- Directors fees	(41)
- Audit fees	(35)
- Corporate Secretarial fees	(7)
- Other administrative expenses	(6)
<b>Balance</b>	<b>-</b>

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

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



**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Ho Kwok Wai**  
Director

**Mark Francis Bedingham**  
Executive Director

BY ORDER OF THE BOARD

**Mark Francis Bedingham**  
Executive Director  
14 November 2023