

RESPONSES TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE COMPANY'S ANNOUNCEMENT ON 30 MAY 2024, FULL YEARLY RESULTS

The Board of Directors of SMI Vantage Limited (the "Company") and together with its subsidiaries (the "Group") refers to the Company's announcement on 30 May 2024, titled "Full Yearly Results" (the "Announcement").

The Board wishes to provide its responses to the following questions raised by the Singapore Exchange.

SGX-ST Query:

- 1) It is disclosed in the Company's response to SGX queries dated 29 November 2023 that, the Board is of the view that the Group is able to recover the remaining trade and other receivables as the Travel Retail operations at Yangon International Airport continues to grow and recover from the global pandemic, and payments are being made in accordance with agreed payment plans which have been agreed for future years in line with the projected recovery of sales at YIA, which have been conservatively projected.
 - a) Please provide further information on these agreed payment plans and a status update on the amounts received by the Company from (i) the Group's main distributors operating the Travel Retail and F&B businesses in Myanmar; and (ii) the Group's associates respectively.
 - b) Please disclose Board's assessment of the recoverability of the non-current trade and other receivables.

Company's Response:

- (a) The Group has updated the repayment plans based on future Projected Revenues reflecting current airport passenger trends. Overall the Group received US\$1.25 million from Third Parties and US\$0.3 million from Associates during FY24, having seen a substantial increase in payments received in the second half of the year, compared to the first half of the year, reflecting continued improvement in passenger numbers.
- (b) The Board continues to have the view that the Group will be able to recover the remaining non-current trade and other receivables, in line with repayment plans as the Travel Retail operations at Yangon International Airport continues to grow.

SMI VANTAGE LIMITED
(Registration No. 200505764Z)
(Incorporated in Singapore)

SGX-ST Query:

- 2) It is disclosed in the unaudited financial results that, the Company reported current trade and other receivables amounting to US\$4,667,000 which represented approximately 180% of the Group's revenue of US\$2,594,000 for the period ended 31 March 2024.
- a) Please disclose:
- (i) the ageing profile of the Group's Trade and Other Receivables in bands of 3 months, including provision made for trade and other receivables;
 - (ii) whether these outstanding amounts are owing to related parties. If yes, to provide details and quantify;
 - (iii) whether these customers are still in operation;
 - (iv) the Company's plans to recover the trade and other receivables; and
 - (v) a status update on the collections received based on the agreed payment schedule referred to in the Company's response to sgx queries announcement dated 29 November 2023;
 - (vi) the Board's assessment on the recoverability of the Group's remaining trade and other receivables, and the basis for such an assessment.

Company's Response:

- (i) The ageing profile of the Group's Trade and Other Receivables in bands of 3 months, including provisions made are presented in the table below:

(In US\$'000)	0 – 3 months	4 – 6 months	7 – 9 months	10 – 12 months	More than 1 year	Subtotal
Third Parties	613	208	403	160	21,429	22,813
Less: Allowance for impairment	–	–	–	–	(6,420)	(6,420)
Associates	130	68	16	66	1,881	2,161
Joint ventures	2	–	–	–	248	250
Less: Allowance for impairment	–	–	–	–	(200)	(200)
GST/commercial tax receivables	46	–	–	–	–	46
Total	791	276	419	226	16,938	18,650

- (ii) There are outstanding amounts owing to related parties i.e. Associates and Joint Ventures. The amounts are shown in the table above.
- (iii) These customers are still in operation.
- (iv) The Group has in place a payment schedule agreed with the distributors and the distributors have been making payment in line with the payment schedule.
- (v) As disclosed in the Company's response to 1 (a) above.
- (vi) The Board is of the view that the Group is able to recover the current Trade and Other Receivables as the respective distributors and associate have been making timely payment according to the payment schedules that had been agreed.

SGX-ST Query:

- 3) Given the Group's significant current liabilities of US\$4,732,000 and cash and bank balance of only US\$184,000 and noting that the Group incurred losses of US\$4,050,000 for the full year ended 31 March 2024, please disclose the Board's assessment on how the Company intends to fulfil its significant payment obligations in the next 12 months.

Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

Company's Response:

As disclosed in the Announcement on 30th May 2024, the Group is in a Net Current Asset position of US\$871,000 with Current Assets of US\$5,603,000 and Current Liabilities of US\$4,732,000.

The Group's loss of US\$4,050,000 includes (i) US\$1,414,000 of depreciation and amortization expenses, and (ii) US\$353,000 loss on fair value of purchase consideration on acquisition, which do not have a cashflow impact to the Group.

The Group's major shareholder has also provided an undertaking to provide financial support if required, for at least another 12 months from the date of the financial statements.

The Group is also on track with payment plans to fulfil its outstanding obligations in relation to its current liabilities.

Based on the above, the Board is of the view that the Group will be able to fulfill its payment obligations in the next 12 months.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
13 June 2024