
RESPONSES TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 ("FY2024 ANNUAL REPORT")

The Board of Directors of SMI Vantage Limited (the "Company") and together with its subsidiaries (the "Group") refers to the Company's Annual Report for the financial year ended 31 March 2024 ("FY2024 Annual Report").

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 Annual Report on page 142-148 that Mr Ho Kwok Wai is seeking re-election as Non-Executive Chairman in the upcoming AGM and concurrently holds directorships in respect of 24 other companies. Please disclose:
 - (i) whether any of the companies in the Appendix are listed and/or active; and
 - (ii) the Board's & Nominating Committee's assessment on how Mr Ho will have sufficient time and bandwidth to fulfil his responsibilities as an Independent Director effectively in view of his concurrent appointments.

Company's Response

- (i) Please refer to the table below.

No.	Company	Listed?	Active?
1	All Sino Limited	No	Yes
2	ARCC Urban Pte Ltd	No	Yes
3	Atelier Fashion Limited	No	Yes
4	China Team Properties Limited	No	Yes
5	Conscendo Capital Pte Ltd	No	Yes
6	Ever Force Limited	No	Yes
7	Faster Limited	No	Yes
8	Forever Nice Holdings Limited	No	Yes
9	Genius Time Asia Limited	No	Yes
10	Golden Dream Properties Limited	No	Yes
11	Good One Limited	No	Yes
12	Hanma Biotech Asia Group Limited	No	Yes
13	Jet Palace Holdings Limited	No	Yes
14	Karate Mind Group Limited	No	Yes
15	Mega Power Development Limited	No	Yes
16	One Rock Investment Pte Ltd	No	Yes
17	One Rock International Management Pte Ltd	No	Yes
18	Rick Genius Holdings Limited	No	Yes
19	Sky Alliance Properties Limited	No	Yes
20	SMI Vantage Limited	Yes	Yes
21	Taipan Grand Investments Limited	No	Yes
22	Wider Ocean Limited	No	Yes
23	Winner Up Limited	No	Yes
24	OneRock Consulting Pte Ltd	No	Yes

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

Company's Response (continued)

- (ii) Mr Ho is not an Independent Director. He is the Non-Executive Chairman and major shareholder of the Company.

As disclosed on page 16 of the Company's FY24 Annual Report, Mr Ho Kwok Wai is deemed not independent as he holds more than 10% of SMI's voting shares.

SGX-ST Query

2. Listing Rule 704(6) provides that an issuer must immediately announce if it has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors. Please clarify whether and how Listing Rule 704(6) has been complied with.

Please also provide explanations for the following material variance in:

- (i) net cash used in operating activities from US\$2,068,000 in the FY2024 unaudited full-year financial statements to US\$2,280,000 in the FY2024 Annual Report; and
- (ii) net cash used in investing activities from US\$624,000 in the FY2024 unaudited full-year financial statements to US\$424,000 in the FY2024 Annual Report.

Company's response

2. The Company has complied with Listing Rule 704(6). The Auditors had only provided the Company with the finalised draft Financial Statements on the evening of 12 July 2024, and the Company immediately prepared the announcement of the material differences and announced on 13 July 2024, prior to releasing the Audited Results on 15 July 2024.

- (i) Please refer to the explanation in (ii) below for the US\$200,000 difference. The remaining US\$12,000 difference arose from minor adjustments mostly relating to exchange differences.
- (ii) The difference of US\$200,000 arose from purchase of plant and equipment. As disclosed in Note 14 of the Annual Report (page 95), "US\$0.2 million remains unpaid as of 31 March 2024". Since this amount is a non-cash item, it was reclassified from purchase of plant and equipment in Cash flows from investing activities to changes in working capital of Trade and other payables in Cash flows from operating activities.

SGX-ST Query

3. Listing Rule 1207(10C) requires that the Annual Report include Audit committee's comment on whether the internal audit function is independent, effective and adequately resourced. On page 30 of the Annual Report, it states "The AC is of the opinion that the internal audit function for the year under review was adequately resourced and had appropriate independent standing within the Company." and on page 27 of the Annual Report, it states "SMI appointed Cypress Singapore PAC as the internal auditors to provide internal audit services in accordance with the International Standards for the Professional Practice of Internal Audit for the financial years 2023 to 2025."
- (a) Please disclose whether and how Listing Rule 1207(10C) has been complied with, in respect of whether the internal audit function is independent and effective.
 - (b) Please provide information on the relevant experience of internal auditor appointed and the engagement team.

Company's response

- (a) Rule 1207(10C) states: Audit committee's comment on whether the internal audit function is independent, effective and adequately resourced.

Cypress Singapore PAC was independently appointed by the AC after reviewing several proposals from other Independent IA providers. The AC confirms that Cypress Singapore is independent and has no links to the Company or its Directors. The appointed IA presented its report to the AC at a meeting held on 14 May 2024. The AC had advised that they found the report to be comprehensive and respected the agreed terms for the internal audit and therefore, concluded that the internal auditors had operated in an effective manner and were appropriately resourced.

- (b) Cypress Singapore PAC is an established auditing firm in Singapore. The Engagement Partner has more than 26 years of experience in public accounting and is a Public Accountant registered under Singapore Accountants Act since 2000 and, is a Member of Institute of Singapore Chartered Accountants since 1997. Members of the internal audit team also have relevant academic qualifications, professional certifications and internal audit experience. The Audit Committee is hence satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals based on the internal audits conducted for FY2024.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
2 August 2024