

SMI VANTAGE LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

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

The Group does not have any outstanding external bank borrowings following the repayment of its last external bank borrowing amounting to US\$1.5 million, on 30 June 2023.

The Group has obtained additional shareholder loans of US\$0.79 million during 3Q FY2024 from Mark Francis Bedingham 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.

The Group has also obtained undertakings from the shareholders not to recall the shareholders’ loans of US\$8.73 million.

Update on Efforts for satisfying Financial Exit Criteria

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. 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’s Food & Beverage (“F&B”) operations has also seen an improvement of nearly 2 times to US\$601k for 1H FY2024 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 for 1H FY2024 as compared to 1H FY2023.

Other items of income decreased by 96%, or US\$426k in 1H FY2024 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 its crypto mining operations in April 2022, following the Approval of the new business from shareholders during the Extraordinary General Meeting (“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 case 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.

The Group subsequently announced on 6 December 2023 that the lease agreement has been signed with the landlord and that the Group will be installing containerized mining facilities at the site and acquiring new Bitcoin-mining machines. The Group had announced on 9 February 2024 that the containerized mining facility had been installed at this site and mining operations had commenced. The Group has the intention to acquire more high hash rate machines during 4Q 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 FY2025.

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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. 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 EGM 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.

On behalf of the Board

Mark Francis Bedingham

President and Chief Executive Officer

14 February 2024