

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

Please refer to the announcement of the unaudited financial statement of the Group for the reporting year ended 31 March 2024, released via the SGXNet on 30 May 2024, for an update on the Group’s financial performance and financial position.

The Group’s primary business segment, Travel Retail sales has increased by 34% to US\$330k for FY2024 as compared to FY2023 and has been recovering gradually since Yangon International Airport (“YIA”) reopened on 17 April 2022.

Food & Beverage (“F&B”) operations saw a revenue increase of nearly 2 times as compared to FY2023. The increase reflected the opening of Robochef outlets in Singapore, and a recovery in Revenue for the Groups four F&B outlets in Yangon.

The Group’s overall revenue for FY2024 increased by 44% (US\$795k) as compared to FY2023.

Other items of income decreased by 83%, or US\$553k as compared to FY2023 due to the previous financial year foreign exchange gain from the devaluation 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 year.

The Group commenced Digital Mining from April 2022, following the approval of the new business from shareholders during the EGM held on 19 April 2022. Digital 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. During the financial year, the Group has 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 East Malaysia, Sarawak, and through a media release on 9 February 2024 that its Bitcoin mining operations have been resumed. On 12 March 2024, the Group announced the acquisition of 200 Bitmain S19 BTC mining machines, and on 29 April 2024, the Group announced the installation of its 2nd containerised digital mining facility at the East Malaysia location.

Selling & distribution costs increased by 36%, or US\$203k mainly due to costs incurred for the new F&B business in Singapore which began operating from 31 March 2023.

Administrative expenses increased by 46%, or US\$943k mainly due to increased legal and professional fees in relation to the acquisition of Provino Logistics Pte Ltd and development of its digital mining operations, as well as additional headcounts for new F&B business during the financial year.

Depreciation charges decreased by US\$151k, mainly due to the decrease in depreciation of the Retail assets.

Finance costs represents interest cost on shareholders’ loans and bank borrowings, and notional interest costs imputed on lease liabilities recognized on the leases contracted under its F&B businesses and the Singapore office. The increase of 30%, or US\$98k in finance costs was attributable to additional shareholder loans obtained by the Group during the financial year.

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Update on financial position (continued)

The Group has obtained additional shareholder loans of US\$3.39 million from Mark Francis Bedingham and US\$0.75 million from Octo Force Management Co. Ltd during FY2024.

On 30 June 2023, the Group had 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\$11.7 million.

Update on Efforts for satisfying Financial Exit Criteria

The Yangon International Airport ("YIA") reopened on 17 April 2022, and passenger traffic has been recovering gradually. As of April 2024, the number of daily flights operating out of YIA is 65% of pre-pandemic levels, and this is expected to gradually increase throughout FY2025. 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 had announced through a media release on 9 February 2024 that its Bitcoin mining operations have been resumed. On 12 March 2024, the Group announced the acquisition of 200 Bitmain S19 BTC mining machines, and on 29 April 2024, the Group announced the installation of its 2nd containerised digital mining facility at the East Malaysia location. The Group is looking to further develop its digital mining operations through the acquisition of more high hash rate machines and leasing of additional digital mining locations.

The Group has continued to roll out its unique A.I.-inspired F&B concept, Robochef, in Singapore, with 2 outlets currently in operation. The Group is exploring opportunities for this Robochef concept internationally during 2H FY2025.

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 was 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. On 7 March 2024, the Group announced the completion of the acquisition of Provino. The acquisition of Provino 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

30 May 2024