

# SMI Vantage Limited and its Subsidiaries

Unaudited Condensed Interim Financial Statements  
For The First Half Year and Six Months Ended 30 September 2022

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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 2022**

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

(In US\$'000)	Note	Group			Group		
		3 Months Ended			6 Months Ended		
		30 Sept 2022	30 Sept 2021*	% Change	30 Sept 2022	30 Sept 2021*	% Change
<b>Revenue</b>	2	670	137	389%	809	204	297%
Cost of sales	2	(554)	(623)	(11%)	(925)	(1,169)	(21%)
<b>Gross profit/(loss)</b>		116	(486)	(124%)	(116)	(965)	(88%)
<b>Other items of income</b>							
Other income and gains		271	1,169	(77%)	444	1,259	(65%)
<b>Other items of expenses</b>	2						
Distribution costs		(120)	(15)	n.m	(251)	(168)	49%
Administrative expenses		(454)	(319)	42%	(992)	(786)	26%
Finance costs		(147)	(191)	(23%)	(279)	(348)	(20%)
Share of results of Associates, net of tax		-	-	-	-	-	-
Share of results of Jointly-controlled Entities, net of tax		(22)	(21)	5%	(30)	(24)	25%
<b>(Loss)/Profit before tax from continuing operations</b>	4	(356)	137	n.m	(1,224)	(1,032)	19%
Income tax expenses	5	-	-	-	-	-	-
Loss from continuing operations, net of tax	2	(356)	137	n.m	(1,224)	(1,032)	19%
(Loss)/Profit from discontinued operations, net of tax	2	-	(5)	(100%)	1	(65)	(102%)
<b>Total comprehensive loss for the period</b>	<b>2</b>	<b>(356)</b>	<b>132</b>	<b>n.m</b>	<b>(1,223)</b>	<b>(1,097)</b>	<b>12%</b>
<b>(Loss)/Profit attributable to:</b>							
- Owners of the Company		(356)	132	n.m	(1,223)	(1,097)	12%
- Non-controlling interests		-	-	-	-	-	-
<b>(Loss)/Profit for the period</b>		<b>(356)</b>	<b>132</b>	<b>n.m</b>	<b>(1,223)</b>	<b>(1,097)</b>	<b>12%</b>
<b>Total comprehensive income/(loss) attributable to:</b>							
- Owners of the Company		(356)	132	n.m	(1,223)	(1,097)	12%
- Non-controlling interests		-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(356)</b>	<b>132</b>	<b>n.m</b>	<b>(1,223)</b>	<b>(1,097)</b>	<b>12%</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)		(0.07)	0.40	(117%)	(0.23)	(0.33)	(30%)
Diluted loss per share (US\$ in cents)		(0.07)	0.40	(117%)	(0.23)	(0.33)	(30%)

\* Comparative information has been restated for 1HFY2021  
n.m. denotes not meaningful.

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

(In US\$'000)		Group		Company	
Description	Note	30 Sept 2022	31 Mar 2022	30 Sept 2022	31 Mar 2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, Plant and Equipment	9	5,128	5,571	292	360
Intangible Assets	8	35	65	-	-
Right-of-Use Assets		88	251	39	77
Investments in Subsidiaries		-	-	-	-
Investments in Jointly-controlled Entities		568	597	900	900
Trade and Other Receivables, Non-Current	10	16,757	16,757	18,062	18,062
Other Non-Financial Assets		40	39	25	23
<b>Total Non-Current Assets</b>		<b>22,616</b>	<b>23,280</b>	<b>19,318</b>	<b>19,422</b>
<b>Current Assets</b>					
Inventories		35	28	-	-
Trade and Other Receivables	10	2,279	2,999	7,475	6,685
Other Non-Financial Assets		596	302	549	522
Cash and Cash Equivalents	3	2,447	2,359	102	335
<b>Total Current Assets</b>		<b>5,357</b>	<b>5,688</b>	<b>8,126</b>	<b>7,542</b>
<b>Total Assets</b>		<b>27,973</b>	<b>28,968</b>	<b>27,444</b>	<b>26,964</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owners of the Company</b>					
Share Capital	13	67,890	66,895	67,890	66,895
Accumulated Losses		(56,244)	(55,021)	(47,949)	(47,086)
Employee Share Option Reserves		56	61	56	61
<b>Total Equity Attributable to Owners of the Company Representing Total Equity</b>		<b>11,702</b>	<b>11,935</b>	<b>19,997</b>	<b>19,870</b>
<b>Non-Current Liabilities</b>					
Lease Liabilities	11	998	1,234	-	-
Other Financial Liabilities	11	8,739	9,086	5,890	5,590
<b>Total Non-Current Liabilities</b>		<b>9,737</b>	<b>10,320</b>	<b>5,890</b>	<b>5,590</b>
<b>Current Liabilities</b>					
Trade and Other Payables	12	3,673	3,850	1,472	1,412
Lease Liabilities	11	565	596	49	91
Income and Other Tax Payable		796	767	1	1
Other Financial Liabilities	11	1,500	1,500	35	-
<b>Total Current Liabilities</b>		<b>6,534</b>	<b>6,713</b>	<b>1,557</b>	<b>1,504</b>
<b>Total Liabilities</b>		<b>16,271</b>	<b>17,033</b>	<b>7,447</b>	<b>7,094</b>
<b>Total Equity and Liabilities</b>		<b>27,973</b>	<b>28,968</b>	<b>27,444</b>	<b>26,964</b>

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**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>Group</b> <b>(In US\$'000)</b>	<b>Share capital A</b>	<b>Accumulated losses B</b>	<b>Employee share option reserves C</b>	<b>Total equity D = A + B + C</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>FY2022</b>				
<b>Balance at 01 Apr 2021</b>	60,067	(50,058)	523	10,532
<b>Movements in Equity:</b>				
Issue of shares	1,612	-	(424)	1,188
Share-based payment	118	-	-	118
Total comprehensive loss for the period	-	(1,097)	-	(1,097)
<b>Balance at 30 Sept 2021</b>	<b>61,797</b>	<b>(51,155)</b>	<b>99</b>	<b>10,741</b>

<b>Company</b> <b>(In US\$'000)</b>	<b>Share capital A</b>	<b>Accumulated Losses B</b>	<b>Employee share option reserves C</b>	<b>Total equity D = A + B + C</b>
<b>FY2023</b>				
<b>Balance at 01 Apr 2022</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 payments	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>
<b>FY2022</b>				
<b>Balance at 01 Apr 2021</b>	60,067	(45,518)	523	15,072
<b>Movements in Equity:</b>				
Issue of shares	1,612	-	(424)	1,188
Share-based payment	118	-	-	118
Total comprehensive loss for the period	-	(743)	-	(743)
<b>Balance at 30 Sept 2021</b>	<b>61,797</b>	<b>(46,261)</b>	<b>99</b>	<b>15,635</b>

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

(In US\$'000)	Note	Group	
		6 months ended 30 Sept 2022	6 months ended 30 Sept 2021
<b>Cash flows from operating activities</b>			
Loss before tax from continuing operations		(1,224)	(1,032)
Profit/(Loss) before tax from discontinued operations		2	(65)
<b>Loss before tax</b>		<b>(1,222)</b>	<b>(1,097)</b>
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		753	1,144
Amortisation of intangible assets		30	46
Depreciation of right-of-use assets		67	72
Finance expenses		279	343
Impairment losses on plant and equipment, net of reversal		-	10
Loss on disposal of property, plant and equipment		-	50
Right-of-use assets written-off		-	74
Share of results of Jointly controlled Entities - net of tax		30	24
Gain on termination of leases		(66)	(33)
Share based payments		(5)	118
Foreign exchange adjustment - unrealised gains		(222)	(1,183)
<b>Operating cash flows before changes in working capital</b>		<b>(356)</b>	<b>(432)</b>
<b>Changes in working capital</b>			
Inventories		(12)	6
Trade and other receivables	10	723	7
Other non-financial assets		(41)	74
Trade and other payables	12	(110)	(231)
<b>Net cash flows generated from/(used in) operations</b>		<b>204</b>	<b>(576)</b>
Income tax (paid)/refunded		(1)	-
<b>Net cash generated from/(used in) operating activities</b>		<b>203</b>	<b>(576)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(57)	(3)
Proceeds from disposal of plant and equipment		-	27
Interest received		*	-
<b>Net cash (used in)/generated from investing activities</b>		<b>(57)</b>	<b>24</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(105)	(90)
Proceeds from issuance of shares		486	1,187
Proceeds from loans from shareholders		300	200
Interest paid		(210)	(257)
<b>Net cash generated from financing activities</b>		<b>415</b>	<b>1,040</b>
<b>Net increase in cash and cash equivalents</b>		<b>561</b>	<b>488</b>
Cash and cash equivalents at beginning of the period		2,359	(386)
Effects of exchange rate changes on cash balances held in foreign currencies		(473)	765
<b>Cash and cash equivalents at end of the period</b>	3	<b>2,447</b>	<b>867</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 whose shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are presented in United States Dollars (“US\$”) and comprise 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 2022 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 year ended 31 March 2022.

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 year ended 31 March 2022, except for the adoption of new and amended standards effective for annual periods beginning on or after 1 April 2022. The adoption of these new and amended standards have 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 applied to the consolidated financial statements as at and for the year ended 31 March 2022.

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

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**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 Construction Services are the same as the Group's accounting policies applied to the consolidated financial statements as at and for the year ended 31 March 2022.

The Group has commenced operations under its new Cryptocurrency Mining segment in April 2022 pursuant to approval obtained from the shareholders during the Extraordinary General Meeting ("EGM") held on 19 April 2022.

**2.2.1 Reportable segments**

(In US\$'000)	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Unallocated	Total
Description					
<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>01 Apr 2021 to 30 Sept 2021</b>					
Segment revenue					
- Sales to external customers	119	85	-	-	204
Segment result					
- Recurring EBITDA	1,107	16	-	(593)	530
Finance costs	(248)	-	-	(100)	(348)
Miscellaneous income	-	-	-	50	50
Depreciation and amortisation	(1,023)	(111)	-	(106)	(1,240)
	(164)	(95)	-	(749)	(1,008)
Share of results of Jointly controlled Entities, net of tax	-	-	-	(24)	(24)
Share of results of associates, net of tax	-	-	-	-	-
Loss from continuing operations, net of tax	(164)	(95)	-	(773)	(1,032)
Loss from discontinued operations	-	-	-	(65)	(65)
<b>Loss for the period</b>	<b>(164)</b>	<b>(95)</b>	<b>-</b>	<b>(838)</b>	<b>(1,097)</b>



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**2.2.1 Reportable segments (Cont'd)**

(In US\$'000)	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Unallocated	Total
<b>Description</b>					
<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
<b>30 Sept 2021</b>					
Total assets	26,969	3,121	-	3,849	33,939
Total liabilities	10,512	1,965	-	11,558	24,035

**2.2.2 Disaggregation of revenue**

(In US\$'000)	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Consolidated
<b>Description</b>				
<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

(In US\$'000)	Travel and Fashion Retail	Food & Beverage	Cryptocurrency Mining	Consolidated
<b>Description</b>				
<b>01 Apr 2021 to 30 Sept 2021</b>				
Recognition of revenue at point of sale of goods	119	85	-	204
<u>Geographical information</u>				
Myanmar	119	85	-	204
Total revenue	119	85	-	204

**3. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as of 30 September 2022 and 31 March 2022

(In US\$'000)	Group		Company	
	30 Sept 2022	31 Mar 2022	30 Sept 2022	31 Mar 2022
<b>Description</b>				
<b>Financial Assets</b>				
<b>At amortised cost</b>				
Cash and bank balances	2,447	2,359	102	335
Trade and other receivables	19,036	19,756	25,537	24,747
	<b>21,483</b>	<b>22,115</b>	<b>25,639</b>	<b>25,082</b>
<b>Financial Liabilities</b>				
<b>At amortised cost</b>				
Borrowings	10,239	10,586	5,925	5,590
Lease liabilities	1,563	1,830	49	91
Trade and other payables	3,673	3,850	1,472	1,412
	<b>15,475</b>	<b>16,266</b>	<b>7,446</b>	<b>7,093</b>

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**4. Profit before taxation**

**4.1 Significant items**

(In US\$'000) Description	Group	
	30 Sept 2022	30 Sept 2021
Interest on borrowings	279	343
Depreciation and amortisation of property, plant and equipment and intangible assets	850	1,190
Foreign exchange gain, net	(328)	(1,178)
Rental of premises	94	42

**4.2 Related party transactions**

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these 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 these consolidated financial statements are not disclosed as related party transactions and balances. There are no material related party transactions in this reporting 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 1HFY2023 and 1HFY2022.

**6. Dividends**

No dividend has been declared or recommended for the quarter ended 30 September 2022 as the Group is in loss-making position.

**7. Net Asset Value**

Description	Group		Company	
	30 Sept 2022	31 Mar 2022	30 Sept 2022	31 Mar 2022
No of ordinary shares	540,795,278	513,535,187	540,795,278	513,535,187
Net asset value per ordinary share (US\$ in cents)	0.02	0.02	0.04	0.04

**8. Intangible assets**

(In US\$'000) Description	Group		
	Franchise fees	License fees	Total
<b>At 31 March 2022</b>			
Cost	725	270	995
Accumulated amortisation and impairment	(661)	(269)	(930)
<b>Net book amount</b>	<b>64</b>	<b>1</b>	<b>65</b>
<b>As at 30 Sept 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>

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**9. Plant and equipment**

During the six months ended 30 September 2022, the Group acquired asset of US\$310k (30 September 2021: US\$2.5k) and there was no disposal of assets. (30 September 2021: US\$335k).

**10. Trade and other receivables**

The Group's trade and other receivable as of 30 September 2022 and 31 March 2022 are set out as below:

(In US\$'000) Description	30 Sept 2022	31 Mar 2022
<b><u>Trade receivables</u></b>		
Third parties	22,753	23,167
Associates	1,989	2,272
Less: Allowance for impairment	(5,985)	(5,985)
Net trade receivables	18,757	19,454
<b><u>Non-trade &amp; other receivables</u></b>		
Third parties	51	65
Deferred consideration from disposal of subsidiaries	297	331
Joint ventures	257	256
Associates	14	13
GST/commercial tax receivable	187	164
Less: Allowance for impairment	(527)	(527)
<b>Total trade and other receivables</b>	<b>19,036</b>	<b>19,756</b>

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

The Group's lease liabilities and other financial liabilities as of 30 September 2022 and 31 March 2022 are set out as below:

(In US\$'000) Description	Group and Company	
	30 Sept 2022	31 Mar 2022
<b><u>Amount repayable within one year or on demand</u></b>		
Secured loans	1,500	1,500
Lease liabilities	565	596
<b>Total</b>	<b>2,065</b>	<b>2,096</b>
<b><u>Amount repayable after one year</u></b>		
Secured loans	2,849	3,496
Unsecured loans	5,890	5,590
Lease liabilities	998	1,234
<b>Total</b>	<b>9,737</b>	<b>10,320</b>

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**12. Trade and other payables**

The Group's trade and other payables as of 30 September 2022 and 31 March 2022 are set out as below:

(In US\$'000) Description	30 Sept 2022	31 Mar 2022
Trade payables	2,217	2,339
Accrued liabilities	1,134	1,115
Joint ventures	81	72
Associates	28	102
Deposits from customers	-	5
Others	213	217
	<b>3,673</b>	<b>3,850</b>

**13. Share capital**

	Group and Company			
	30 Sept 2022		31 Mar 2022	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
<b>Beginning of interim period/financial year</b>	513,535,187	66,895	316,996,792	60,067
Issue of ordinary shares:				
Share placements	18,698,062 <sup>(d)</sup>	429	57,133,333 <sup>(a)</sup>	1,614
Conversion of shareholder's loans and accrued interests	-	-	132,910,062 <sup>(b)</sup>	5,050
Share based payments	8,562,029 <sup>(d)</sup>	566	6,495,000 <sup>(c)</sup>	164
<b>End of interim period/financial year</b>	<b>540,795,278</b>	<b>67,890</b>	<b>513,535,187</b>	<b>66,895</b>

<sup>(a)</sup> On 13 June 2019, the Company granted 4,500,000 share awards under Performance Share Plan (PSP) to Mark Francis Bedingham, a director of the Company. The share award has a vesting period of 24 months from 1 April 2019. On 8 April 2021, 4,500,000 shares were issued and allotted to the director.

On 1 September 2021, the Company issued 52,633,333 shares to various parties for a total consideration of US\$1.2 million pursuant to the subscription agreements entered with those parties in June 2021.

<sup>(b)</sup> On 12 October 2021, the Company issued 132,910,062 shares as consideration for the conversion of shareholders' loans and associated accrued interests of US\$5.05 million into equity.

<sup>(c)</sup> On 1 September 2021, 5,245,000 shares were issued as consideration for the settlement of the professional expenses for the subscription of 52,633,333 shares by various parties in (a) above amounting to US\$0.1 million.

On 12 October 2021, 1,250,000 shares were issued as consideration for the settlement of the professional expenses for the issuance of 132,910,062 shares in (b) above amounting to US\$0.06 million.

<sup>(d)</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.

For the financial year ended 31 March 2022, the Company announced on 6 July 2021 the grant of Employee Share Options of 461,400 shares with exercise price of S\$0.130 per share via SGXNet.

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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 lapsing of options granted to former financial controller and key management personnel, Gao Guanyi, who ceased to be in the employment of the Company on 1 August 2022.

The Company did not hold any treasury shares as of 30 September 2022 and 31 March 2022 and the Company's subsidiaries do not hold any shares in the Company as of 30 September 2022 and 31 March 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 2022, 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 was not able to generate any meaningful revenue for 1Q FY2023 as the Yangon International Airport ("YIA") was only reopened from 17 April 2022 and with limited flights schedule due to Covid. However, there has been a slow pick up in 2Q FY2023. In the domestic market, there was a modest improvement in Q2 FY2023 leading to new sales.

The overall retail sales improved nearly 4 times to US\$455k for 1H FY2023 as compared to 1H FY2022. The Group has also resumed the charging of asset usage fees to its local partner, improving its recurring EBITDA.

Food & Beverage ("F&B") operations has also seen an improvement of nearly 4 times to US\$337k as compared to 1H FY2022. This improvement was aided by the resumption of dine-in.

The Group's overall revenue for 1H FY2023 increased by 297% to US\$809k as compared to 1H FY2022.

**Other items of income** are mostly related to foreign exchange gain of US\$328k arise from the revaluation of the Myanmar Kyat denominated loans due to the weakening of the Myanmar Kyat against USD, as well as gain from lease modification of US\$66k due to new rental rates being negotiated with various landlords of F&B outlets.

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 Malacca and Brunei in April and May respectively. The Group generated mining income from conversion of mined bitcoins into cash for US\$17k in 1H FY2023.

**Selling & distribution costs** increased by 50%, or US\$84k for 1H FY2023 mainly due to costs incurred related to improved F&B business.

**Administrative expenses** increased by 27%, or US\$211k as compared to 1H FY2022 mainly due to restitution of senior management salary compared to previous year, as well as additional headcounts for new crypto businesses and additional SGX listing fees.

**Depreciation charges** decreased by US\$391k as more retail assets at YIA 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 franchise business and the Singapore office. The decrease of 20%, or US\$69k in finance costs was mainly attributable from the decrease in interest expenses for bank borrowings due to favourable exchange rates of US\$ against Myanmar Kyat for bank loans

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denominated in Myanmar Kyat and decrease of interest cost on shareholder's loan as partial settlement of the loan on Oct 2021 by conversion of shareholders' loans into equity.

**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.

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

(In US\$'000) Description	The Group	
	30 Sept 2022	30 Sept 2021
<b>Revenue</b>	-	22
<b>Cost of Sales</b>	-	(15)
<b>Gross Profit</b>	-	7
<b>Other Items of Income</b>		
Other Income	-	5
Other Gains	4	1
<b>Other Items of Expenses</b>		
Selling & Distribution Costs	-	(5)
Administrative Expenses	(2)	(24)
Finance Costs	-	5
Other Charges	-	(55)
Profit/(Loss) Before Income Tax from Discontinued Operations	2	(65)
Income Tax Expense	(1)	-
<b>Profit/(Loss) from Discontinued Operations, Net of Tax</b>	<b>1</b>	<b>(65)</b>

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

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

(In US\$'000) Description	The Group	
	30 Sep 2022	31 Mar 2022
Cash and bank balances	2,447	2,359
	<b>2,447</b>	<b>2,359</b>

As at the end of the reporting period, the Group's cash and cash equivalents improved slightly by US\$0.09 million from US\$2.36 million as of 31 March 2022 to US\$2.45 million as of 30 September 2022. The improvement is mainly due to proceeds from financing activities of USD\$0.42 million and operating activities of USD\$0.20 million, partially offset by investing activities of USD\$0.06 million and effect of exchange rate changes on cash balances held in foreign currencies of USD\$0.47 million.

**Trade and other receivables** decreased by US\$0.72 million mainly attributable from collections of part of the outstanding balances with the Group's local business partners and associates.

**Trade and other payables** decreased by US\$0.21 million as the Group made some payments to suppliers. The Group has negotiated for longer payment terms with suppliers in FY2022 and has been on schedule for repayments.

### 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.

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**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 YIA reopened on 17 April 2022, however, with a limited flight schedule reflecting the expectation that destinations and passenger traffic will only build slowly over the next several months. Travel retail has been the Group's major business in Myanmar and so the opening of the airport is welcomed even if initial revenue expectations are conservative. 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 on 24 November 2021 the acquisition of 3,000 crypto mining machines from The9 Limited, a NASDAQ listed company. An Extraordinary General Meeting was held on 19th April 2022 which confirmed the Shareholders' approval to the new business direction of SMI including crypto mining.

Following on from the successful test installation of 50 crypto mining machines in Melaka in April 2022, a further 50 crypto mining machines was installed and started mining in Brunei in May 2022. Company has also acquired an additional 3,000 crypto machines from The9, with 1,500 machines have been delivered to Brunei. The remaining 1,500 crypto mining machines have been shipped from Shanghai, China to Singapore and are expected to be installed in the coming months. The Group has acquired 6 high hash rate machines, which have been installed in Malacca and has announced the intention to acquire more such machines taking advantage of lower machine prices.

The Group has on 19 Aug 2022 completed the allotment and raised US\$0.50 million of placement share. The Group has entered into a subscription agreement with Octo Force Capital Partners Co., Ltd. for the allotment and issuance by the Company of 32,427,632 new fully-paid ordinary shares in the capital of the Company to the Subscriber, at the issue price of S\$0.0304 for each Subscription Share, for an aggregate consideration of JP¥100,000,000 (SGD 985,800) to be paid by the Subscriber to the Company pursuant to the terms and subject to the conditions of the Subscription Agreement.

The Group has also signed an exclusive Franchise Agreement to roll out a unique A.I.-inspired F&B concept, Robochef, in Singapore and to explore opportunities in Asia Pacific. The Group targets to open up to 5 Robochef outlets in Singapore within the first 12 months starting with the first pilot outlet in Q1, 2023.

The Central Bank of Myanmar has implemented a number of new foreign exchange notifications and directives in recent weeks related to the conversion of foreign currency into MMK with certain exemptions. The Group will continue to monitor its currency exposure proactively.

**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

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**7. Interested person transactions**

During the current year, on 06 May 2022, the Group obtained a further US\$0.3 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\$11,870,000 as of 31 March 2022. The loans provided have been used for working capital as well as bank loan and interest repayments.

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	187	2,127
Mark Francis Bedingham	3,950	102	4,052
<b>Total</b>	<b>5,890</b>	<b>289</b>	<b>6,179</b>

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

**8. Use of proceeds**

Pursuant to the June Subscription in FY2022, the Company received gross proceeds from the placement of approximately US\$1.3 million. The utilisation of the gross proceeds from the placement as of 30 June 2022 is set out as below:

	<b>Amount utilised US\$'000</b>
Placement proceeds	1,305
Investment in crypto mining (including machines)	(350)
Payment for professional services in relation to the share placement and share conversion	(463)
Payment for operating expenses:	
- Staff costs	(310)
- New business travel	(40)
- Office rental expenses	(83)
- Marketing expenses	(40)
- Other administrative expenses	(19)
<b>Balance</b>	<b>-</b>

The Company has also received gross proceeds from the placement of approximately US\$0.5 million on 19 August 2022. The utilisation of the gross proceeds from the placement is set out as below:

	<b>Amount utilised US\$'000</b>
Placement proceeds	486
Investment in crypto mining (including machines)	(68)
Payment for professional services in relation to the share placement and share conversion	(58)
Professional advisory for new F&B	(8)
Payment for operating expenses:	
- Staff costs	(120)
- New business travel	(15)
- Office rental expenses	(11)
- Other administrative expenses	(10)
<b>Balance</b>	<b>196</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 2022 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  
11 November 2022