



(Incorporated in Singapore)
(Company Registration No. 200505764Z)

PROPOSED UNWINDING OF THE ACQUISITION OF 255,000 ORDINARY SHARES REPRESENTING 51.0% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PROVINO LOGISTICS PTE. LTD. COMPLETED ON 7 MARCH 2024

1. INTRODUCTION

- 1.1. The board ("**Board**") of directors ("**Directors**") of SMI Vantage Limited ("**Company**") and together with its subsidiaries, ("**Group**") refers to the Company's announcements on 27 June 2023, 6 July 2023, 18 October 2023, 27 October 2023, and 7 March 2024 (collectively, the "**Acquisition Announcements**") in relation to the acquisition by the Company from the Vendors (as defined in the Acquisition Announcements) of 255,000 ordinary shares ("**Sale Shares**") representing 51.0% of the issued and paid up share capital of Provino Logistics Pte. Ltd. ("**Provino**"), for a consideration of S\$1.734 million which was satisfied partly by the allotment and issuance of 25,287,500 new ordinary shares in the capital of the Company ("**Consideration Shares**") to the Vendors and a cash consideration ("**Cash Consideration**") of S\$520,200 ("**Provino Acquisition**"), comprising the Initial Cash Consideration of S\$260,100 which was paid by the Company to the Vendors on completion of the Provino Acquisition and the Deferred Cash Consideration of \$260,100 which remains unpaid.
- 1.2. Unless otherwise defined herein, all capitalised terms shall have the same meaning as ascribed to them in the Acquisition Announcements.
- 1.3. The Board wishes to announce that following the notification of delisting received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 31 July 2024 and the announcement in relation to the update on Company's application for the extension of time to meet requirements of Rule 1314 of the Listing Rules on 29 August 2024, the Company had entered into discussions with the former major shareholder and still significant shareholder and operating manager of Provino, Michael Hadley ("**MH**"), on the possible unwinding of the Provino Acquisition as subsequently disclosed in the Company's announcement dated 1 November 2024 on further updates on its delisting and in the latest announced unaudited consolidated financial statements for the first six months ended 30 September 2024 ("**HY2025**") announced on 14 November 2024, such unwinding to be full and final settlement of any outstanding rights and obligations as between the Vendors and the Company under the Provino Acquisition ("**Proposed Unwinding**").
- 1.4. Following the notification of delisting from the SGX-ST, the Company and MH carefully assessed the future of the Group's logistics business in Singapore through Provino and have agreed that earlier plans to expand the Provino joint-venture are no longer achievable due to the Group's inability to raise funds for its expansion without a listing status as the Company was exploring the possibility of raising further capital through the issuance of new ordinary shares ("**Shares**") for such funding. The continued listing and trading of the Company's securities was also the commercial intention of the Company and the Vendors under the Agreement between the Company and the Vendors for the Provino joint-venture dated 27 June 2023.
- 1.5. On 4 September 2024, the Company received a notice in writing from MH dated 30 August 2024 ("**Notice**"), pursuant to the Agreement to start the process of the Proposed Unwinding.

- 1.6. The Proposed Unwinding would involve the Initial Cash Consideration being refunded by the Vendors to the Company, the Deferred Cash Consideration being no longer payable by the Company to the Vendors, and the Sale Shares being returned by the Company to the Vendors in consideration for the return of the Consideration Shares by the Vendors to the Company. Following the Notice, the Initial Cash Consideration has been fully refunded by the Vendors to the Company in September 2024, which will be utilised by the Company for its general working capital. Save for the refund of the Initial Cash Consideration, there are no other cash proceeds from the Proposed Unwinding.
- 1.7. Pursuant to the Notice, the Company has transferred the Sale Shares to the Vendors on 26 October 2024, received the refund of the Initial Cash Consideration from the Vendors in full in September 2024, and is discharged from its obligation to pay the Deferred Cash Consideration to the Vendors. As at the date of this announcement, the Vendors remain the legal and beneficial owners of the Consideration Shares and the Company is still in discussions with the Vendors and working with its professional advisers on the appropriate unwinding mechanism for the recovery of the Consideration Shares from the Vendors that would, at all times, be in compliance with the Company's constitution, the Listing Rules, and applicable laws and regulations of Singapore, including the Companies Act 1967 of Singapore ("**Act**"), including a selective off-market share buy-back of the Consideration Shares if the Company completes the proposed delisting without exit offer as disclosed in the Company's announcements of 23 September 2024 and 1 November 2024 or cancellation of the Consideration Shares by way of selective capital reduction. Such corporate actions would require, *inter alia*, approval from shareholders of the Company ("**Shareholders**") at an extraordinary general meeting, which the Company will duly convene at the relevant time. The Company may also consider such other transaction methodology and structure that is appropriate to complete the Proposed Unwinding, such as a sale, exchange or disposal of the Consideration Shares for cash and/or other consideration ("**Other Transactional Consideration**") that would be payable or paid on account of such sale, exchange or disposal of the Consideration Shares, wherein such Other Transactional Consideration shall be paid or otherwise delivered to the Company (or to the Company's order at its sole and absolute discretion) for the Company's own account and benefit without any requirement to account to the Vendors¹.

2. INFORMATION ON THE PROPOSED UNWINDING

- 2.1. The parties to the Proposed Unwinding remain the same as that in the Provino Acquisition. Please refer to the Company's announcement dated 27 June 2023 for information on Provino, Provino's business, and the Vendors.
- 2.2. Based on the Group's latest announced unaudited financial statements for HY2025, the unaudited book value of the Sale Shares representing 51.0% of Provino recorded in the Group's balance sheet is approximately S\$S\$239,700 and the net tangible asset ("**NTA**") value and net profit of the Sale Shares representing 51.0% of Provino are approximately S\$37,133.09 and S\$265,225 respectively. Shareholders should note that there is no open market for the Sale Shares as they are not publicly traded.
- 2.3. **Consideration.** The consideration for the return of the Sale Shares by the Company to the Vendors pursuant to the Proposed Unwinding is the refund of the Initial Cash Consideration in full and the recovery by the Company of the 25,287,500 Consideration Shares issued to the Vendors on 27 October 2023 for the Provino Acquisition. The market value of the 25,287,500 Consideration Shares is S\$75,862.50, based on the volume weighted average price of S\$0.003 on 30 August 2024, being the last market day on which the Shares were traded preceding the transfer of Sale Shares by the Company to the Vendors. The consideration for the Proposed

¹ As the amount of cash and/or other consideration that may or may not be paid pursuant to such Other Transactional Consideration is uncertain at this point in time, it is not meaningful to disclose the use of such proceeds. However, in the event that there is any cash and/or other consideration that may be paid, the Company will update shareholders in a separate announcement on SGXNet and/or its Company website at <https://sin-mi.listedcompany.com/newsroom.html> (as the case may be), including as to the use of such sale proceeds.

Unwinding was arrived at arm's length taking into account the rationale for the Proposed Unwinding as set out in paragraph 2.6 below.

- 2.4. Based on Provino's total net asset value as at 30 September 2024 of approximately S\$470,000, the estimated excess of proceeds over the book value of the Sale Shares on completion of the Proposed Unwinding is approximately S\$96,262.50² and there will be a net gain on the disposal of the Sale Shares.
- 2.5. **Conditions of the Proposed Unwinding.** As disclosed in paragraph 1.6 above, the conditions of the Proposed Unwinding include the Company receiving the full refund of the Initial Cash Consideration from the Vendors, and the Company being discharged from its obligation to pay the Deferred Cash Consideration to the Vendors, which conditions have been fulfilled. Further material terms of the Proposed Unwinding will depend on the mechanism by which the Company decides to recover the Consideration Shares from the Vendors, and which the Company is still in discussions with the Vendors and working with its professional advisers on, being mindful of compliance with the Company's constitution, the Listing Rules, and applicable laws and regulations of Singapore, including the Act. The Company will make further announcements on SGXNet and/or its Company website at <https://sinmi.listedcompany.com/newsroom.html> (as the case may be) to keep Shareholders informed on the progress and material terms of the Proposed Unwinding.
- 2.6. **Rationale for the Proposed Unwinding.** As disclosed in paragraph 1.4 above, Company has carefully assessed the future of the Group's logistics business in Singapore (through Provino) following the notification of delisting from the SGX-ST, and has concluded that the Proposed Unwinding is in the best interests of the Company and Shareholders, and should be carried out for the following reasons:
- (a) earlier plans to expand the Provino joint-venture are no longer achievable due to the Group's inability to raise funds for its expansion without a listing status;
 - (b) the continued listing and trading of the Company's securities was the commercial intention of the Company and the Vendors under the Agreement;
 - (c) as the Company will need time to implement the appropriate unwinding mechanism for the recovery of the Consideration Shares from the Vendors, there is commercial and financial benefit for the Company to return the Sale Shares to the Vendors in the interim period to secure (i.) the full refund of the Initial Cash Consideration from the Vendors and (ii.) the release and discharge of the Company from its obligation to pay the Deferred Cash Consideration to the Vendors, amounting to a total value of S\$520,200, being the aggregate Cash Consideration that the Company would otherwise have to pay the Vendors;
 - (d) the Company would not have been able to meet its obligation to pay the Deferred Cash Consideration to the Vendors pursuant to the terms of the Agreement, given the loss of the Group's listing status and related ability to raise funds from the equity capital markets, and this default could expose the Company to a claim and legal proceedings by the Vendors, and
 - (e) the notification of delisting from the SGX-ST and the suspension in trading of the Company's securities have necessitated a strategic reassessment of the Company's investments, financial commitments and scale, and scope of business operations, and the Proposed Unwinding allows the Company to conserve its cash holdings, streamline its activities to lower its overall working capital expenses, reallocate its resources and

² The total proceeds from the Proposed Unwinding assuming completion on 30 September 2024 is estimated at S\$335,962.50 comprising the full refund of the Initial Cash Consideration of S\$260,100 by the Vendors and received by the Company in September 2024 and the market value of the Consideration Shares to be recovered from the Vendors amounting to S\$75,862.50 (computed based on the volume weighted average price of S\$0.003 on 30 August 2024, being the last market day on which Shares were traded preceding the transfer of Sale Shares by the Company to the Vendors) less 51% of the net asset value of Provino (as represented by the Sale Shares) of approximately S\$239,700 as at 30 September 2024.

management personnel to focus on the Group's core and legacy business activities such as travel and domestic retail and food and beverage operations, which are still generating revenue for the Group at a sustainable rate.

3. RELATIVE FIGURES BASED ON RULE 1006 OF THE LISTING RULES

- 3.1. Based on the Group's latest announced unaudited financial statements for HY2025, the relative figures of the Proposed Unwinding as computed on the bases set out in Rule 1006 of the Listing Rules are as follows:

1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value.	3.6% ⁽¹⁾
1006(b)	The net profits/loss attributable to the assets disposed of, compared with the Group's net loss ⁽²⁾ .	(11.1)% ⁽³⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	18.6% ⁽⁴⁾
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁵⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁶⁾

Notes:

- (1) Based on the net asset value of the Sale Shares of approximately S\$239,700 and the Group's net asset value of approximately S\$6,595,000, as at 30 September 2024.
- (2) Under Rule 1002(3)(b) of the Listing Rules, "net profit" means the profit before income tax, minority interests and extraordinary items.
- (3) Based on the net profits attributable to the Sale Shares of approximately S\$122,000 and the Group's net loss of approximately S\$1,096,000 based on the Group's latest announced unaudited financial statements for HY2025.
- (4) Based on the total proceeds from the Proposed Unwinding estimated at S\$335,962.50 compared to the Company's market capitalisation of approximately S\$1,808,031. The market value of the Consideration Shares was computed based on volume weighted average price of S\$0.003 per Share on 30 August 2024. The market capitalisation of the Company was computed based on its existing share capital of 602,677,074 Shares and the volume weighted average price of S\$0.003 per Share on 30 August 2024 (being the last market day on which the Shares were traded preceding the transfer of Sale Shares by the Company to the Vendors).
- (5) Rule 1006(d) is not applicable to a disposal of assets.

(6) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

- 3.2. As the relative figure under Rule 1006(c) exceeds 5%, but does not exceed 20%, the Proposed Unwinding is a “discloseable transaction” for the purposes of Chapter 10 of the Listing Rules which does not require the approval of the Shareholders at a general meeting. Pursuant to Rule 1007(1) of the Listing Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Listing Rules may still be applicable if the Proposed Unwinding is in accordance with the applicable circumstances in Practice Note 10.1 of the Listing Rules. According to paragraph 4.4(d) of Practice Note 10.1, as the absolute relative figure computed on the basis of each of Rule 1006(a) and Rule 1006(c) does not exceed 20%, and as the net profit attributable to the asset to be disposed of exceeds 5% but does not exceed 10% of the consolidated net loss of the Company (in each case taking into account only the absolute value), Chapter 10 of the Listing Rules will be applicable to the Proposed Unwinding, and Rules 1010 to 1013 (where applicable) of the Listing Rules shall apply to the Proposed Unwinding. Therefore, the information required under Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, have been disclosed accordingly.

4. FINANCIAL EFFECTS OF THE PROPOSED UNWINDING

- 4.1. **Bases and assumptions.** The following are presented purely for illustrative purposes only and are neither indicative nor do they represent the actual future financial situation or any projection of the financial performance or position of the Group following completion of the Proposed Unwinding. The financial effects of the Proposed Unwinding on the Company as set out below are based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2024 as well as the following bases and key assumptions:

- (a) the financial effects of the Proposed Unwinding on the Group's NTA per Share are computed based on the assumption that the Proposed Unwinding was completed on 31 March 2024, without any adjustment to align the financial year end of the Group with that of Provino's;
- (b) the financial effects of the Proposed Unwinding on the Group's loss per Share (“LPS”) are computed based on the assumption that the Proposed Unwinding was completed on 1 April 2023, without any adjustment to align the financial year end of the Group with that of Provino's;
- (c) the NTA per Share and LPS for the Proposed Unwinding are computed based on the Company's existing share capital of 602,677,074 Shares, which includes the Consideration Shares allotted and issued to the Vendors;
- (d) the expenses in connection with the Proposed Unwinding are disregarded for the purpose of calculating the financial effects;
- (e) save as set out above, there have not been any adjustments for the impact of any other transactions or events other than the Proposed Unwinding, and
- (f) for the purposes of this paragraph 4, 26 October 2024 shall be regarded the date immediately preceding the Proposed Unwinding.

4.2. NTA per Share

	Before the Proposed Unwinding	After the Proposed Unwinding
NTA (US\$'000)	5,068	5,423
No. of Shares	602,677,074	577,389,574
NTA per Share (US cents)	0.84	0.94

NTA per Share (Singapore cents)	1.13	1.26
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4.3. LPS

	Before the Proposed Unwinding	After the Proposed Unwinding
Loss attributable to owners of the Company (US\$'000)	3,669	3,650
No. of Shares	602,677,074	577,389,574
LPS (US cents)	0.61	0.63
LPS (Singapore cents)	0.81	0.84

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Controlling Shareholders (as defined in the Listing Rules) of the Company and their respective associates has any interests, direct or indirect, in the Proposed Unwinding, other than through their respective shareholding interests in the Company, if any.

6. SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Unwinding and no service contract(s) in relation to the appointment of any Director are proposed to be entered into by the Company.

7. DOCUMENTS AVAILABLE FOR INSPECTION

- 7.1. A copy of the Agreement and the Notice will be made available for inspection during normal business hours at the registered office of the Company at 300 Beach Road, #31-03 The Concourse, Singapore 199555 for a period of three (3) months from the date of this announcement.
- 7.2. Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@sin-mi.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcements on SGXNet and/or its Company website at <https://sin-mi.listedcompany.com/newsroom.html> (as the case may be) to keep Shareholders informed, as and when there are further material updates and developments in respect of the Proposed Unwinding.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Unwinding, the Company and its subsidiaries, and the

Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and exercise caution when dealing in the securities of the Company, as completion of the Proposed Unwinding is subject to compliance with the Company's constitution, the Listing Rules, and applicable laws and regulations of Singapore, including the Act. There is no certainty or assurance, as at the date of this announcement, as to whether the terms and conditions of the Proposed Unwinding may be varied by mutual agreement of the Company and the Vendors or in accordance with applicable laws and regulations of Singapore. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Mark Francis Bedingham
President and CEO
7 February 2025