SMI VANTAGE LIMITED

300 Beach Road
31-03 The Concourse
Singapore 199555
www.sin-mi.com

ANNUAL REPORT 2022

smi
VANTAGE

CORPORATE PROFILE

SMI Vantage Limited ("SMI" or "the Company"), is an investment and management company listed on the main board of the Singapore Stock Exchange. SMI was previously known as Singapore Myanmar Investco Limited with a focus on frontier markets, in particular Myanmar. On 7th October 2021, the Company changed its name to SMI Vantage Limited to reflect its new focus including technology-based SaaS services and other high-tech platforms. SMI adopts a diversified business model to enhance its long-term growth prospects and has a highly capable and experienced management team with a proven track record in building strong business partnerships and alliances internationally.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ho Kwok Wai
Non-Executive Chairman and Non-Executive Director
Mark Francis Bedingham
Executive Director, President and Chief Executive Officer
Sam Chong Keen
Lead Independent Director
Fong Sing Chak Jack
Independent Director
Wee Sung Leng
Independent Director

AUDIT COMMITTEE

Sam Chong Keen
Chairman
Wee Sung Leng
Fong Sing Chak Jack

NOMINATING COMMITTEE

Wee Sung Leng
Chairman
Sam Chong Keen
Fong Sing Chak Jack

REMUNERATION COMMITTEE

Wee Sung Leng
Chairman
Sam Chong Keen
Fong Sing Chak Jack

COMPANY SECRETARIES

Lee Wei Hsiung
Liew Chiew Yee

COMPANY REGISTRATION NUMBER

200505764Z

REGISTERED OFFICE AND BUSINESS ADDRESS

300 Beach Road
#31-03 The Concourse
Singapore 199555
Tel: (65) 6718 6678
Fax: (65) 6391 9636
Website: www.sin-mi.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#11-02
Singapore 068898

AUDITORS

PKF-CAP LLP
Public Accountants and Chartered Accountants
(a member of PKF International)
6 Shenton Way
OUE Downtown 1, #38-01
Singapore 068809
Partner-In-Charge: **Mr Lee Eng Kian**
(Effective from financial year ended 31 March 2022)

PRINCIPAL BANKERS

United Overseas Bank Limited Oversea-Chinese Banking Corporation Limited Kanbawza Bank Limited (KBZ Bank)

OUR BUSINESS AND STRATEGIES

TRAVEL & FASHION RETAIL

The Yangon International Airport ("YIA") was closed throughout the entire FY2022 with only a few relief flights monthly. Consequently, Travel Retail sales have been negligible throughout this period. Sales in the domestic market have been strongly negatively impacted by COVID-19 related restrictions on operating hours as well as other security and safety related issues, and hence, our local business partners have been focusing on selling their current stock and SMI Retail has made almost no sales to those local business partners in FY2022. Throughout this period, SMI Retail has been able to maintain stable relations with its suppliers and make payments in accordance with schedules agreed with those suppliers or return goods.

Our local business partner at the YIA resumed their operations upon the reopening of YIA in April 2022, which allowed the resumption of the Group's travel retail business.

FOOD & BEVERAGE

SMI's F&B business both the restaurants and coffee shops as well as the trading business have been affected in a similar manner to that of SMI's Retail business. In the domestic market, the Crystal Jade and Ippudo restaurants have been closed as dine in has not been allowed for most of this period and the two Coffee Bean and Tea Leaf outlets have only been opened intermittently for take away service. The Coffee Bean and Tea Leaf cafes at the airport have remained closed and will reopen when the airport reopens. The outlets in the domestic market will continue to operate in line with government regulations.

LOGISTICS

SMI's joint venture with Senko has managed to operate throughout FY2022 and provide much needed services to its customers in challenging circumstances.

CONSTRUCTION SERVICES

No new delivery of machines was made in FY2022.

SERVICED OFFICES

This business has been exited in 1H FY2022.

CHAIRMAN'S STATEMENT

Dear Shareholders,

SMI was severely impacted by the continuation of the pandemic for the entire financial year. The Travel Retail business was unable to operate as the airport was closed by the airport operator in conformity prevailing government regulations. The businesses in the domestic market were also heavily impacted by restricted operating hours linked to both health and safety issues.

The management team led by CEO, Mark Bedingham has continued to implement very strong and robust cost control measures as well as liaising with our staff and our suppliers to achieve positive outcomes for nearly all of our stakeholders.

The business has continued to be refocused onto Retail, F&B and Logistics and the exit from the Auto Services and Serviced Office business has been successfully concluded.

The Company is well positioned to reopen its Travel Retail business which is expected to start to recover over the course of the next year or so and in addition, the Company has announced some exciting new business directions which we expect to be able to comment on at greater length in the future.

A Note of Thanks & Appreciation

We have made every effort to keep our employees safe and secure during this global health crisis and we are most appreciative of the sacrifices that they have made in support of the company during this difficult time.

Thank You!

CEO'S MESSAGE

Dear Shareholders,

FY2022 has clearly been a very challenging year for SMI, as all its businesses in Myanmar have been heavily affected by the closure of the airport throughout the year which has meant almost no sales from SMI Retail has been possible. Travel Retail sales have been our major business for the last several years. We have made every effort to support our local business partners and help them with the task of selling down their inventory. Only very limited operations have been possible for our F&B business in the domestic market. However, our SMI Senko Logistics business has continued to operate throughout the year. We successfully exited our Service Office business in 1H FY2022. In the future, in Myanmar, we expect to focus on Travel Retail, Logistics and some F&B and domestic retail outlets.

Our focus has been on ensuring to the greatest possible extent, the health and safety of the people who work on our business in Myanmar and assisting them wherever possible.

We have continued to reduce costs right throughout the year and this will undoubtedly help to ensure that we are able to resume on a low-cost base at the time when the airport reopens and there is some recovery in consumer confidence in the domestic market.

Moving Ahead

The Company changed its name to SMI Vantage Limited to reflect its new focus on technology-based SaaS services and other high-tech platforms. A number of studies were conducted throughout the year on new business opportunities, including robotics as well as crypto-currency mining. Agreements were signed with a major NASDAQ listed company – The9 Limited and these agreements included the acquisition of 3,000 crypto-mining machines. Agreements were reached to locate these machines in Malacca and Brunei and installation commenced in March 2022. The Company will continue to look at opportunities in the new areas outlined above as well as restarting its travel retail business with the reopening of the airport on 17th April 2022.

MARK BEDINGHAM
President and Chief Executive Officer

HO KWOK WAI

Mr. Ho was re-designated from Chairman of the Board and Executive Director of the Company to non-Executive Chairman of the Board and non-Executive Director on 23 January 2015. He is primarily responsible for spearheading the Group's corporate directions and strategies. Mr. Ho has more than 20 years of experience in the investment banking industry with a focus on mergers, acquisitions and capital raisings. He graduated from the Hong Kong Polytechnic University with a major in Management Accountancy.

MARK FRANCIS BEDINGHAM

Mr. Bedingham is our Executive Director, President and CEO and he was appointed on 23 January 2015. He is responsible for the Group's corporate plans, policies, and business development as well as the general management of the Group's operations. He began his career with Jardine Matheson and held positions with various key divisions in Hong Kong, Malaysia and Japan before being appointed as a Director of Jardine Pacific. He joined LVMH Moët Hennessy Louis Vuitton S.A. ("Moet Hennessy"), based in Hong Kong, in the mid-1990s as the Regional Managing Director of Asia Pacific. Spearheading the development of Moet Hennessy's business in China, he succeeded in growing the Chinese market into Moet Hennessy's largest global market. During his tenure, he also led an expansion of new subsidiaries in emerging markets across South East Asia, as well as Australia and New Zealand. Under his management, the Asia Pacific region became the largest contributor to Moet Hennessy's global business activities. Mr. Bedingham has also served for nearly seven years on the board of DFS, the world's largest travel retailer and he is also a member of the Strategic Advisory Board of L Capital. During his time in Japan, he was appointed as a member of the Japanese Prime Minister's Administrative Reform Council and he was also elected as Chairman of the European Business Council in Japan. He graduated with a Master's degree in Agricultural and Forest Sciences from the School of Biological Sciences of Oxford University.

BOARD OF DIRECTORS

FONG SING CHAK JACK

Mr. Fong was redesignated as an Independent Director of our Group on 27 June 2016. He is currently the sole proprietor of Messrs. Jack Fong & Co., a law firm in Hong Kong and has more than 20 years of experience in legal practice. He holds a Bachelor of Law (Hons) Degree and a Post Graduate Certificate in Law from the University of Hong Kong. Mr. Fong is a notary Public.

SAM CHONG KEEN

Mr. Sam Chong Keen was appointed as an Independent Director of our Group on 31 January 2022. He is the Lead Independent Director and Chairman of our Audit Committee. Mr Sam has a wealth of management experience, having worked at senior positions in the Singapore Government Administrative Service, National Trade Union Congress (NTUC) and Intraco Limited as well as working as CEO over the past 30 years in various public listed Companies in Singapore, including Comfort Group Limited, VICOM Limited, Lion Asiapac Limited, Lion Teck Chiang limited, Xpress Holding Limited and Jade Technologies Holding Limited. He was also the Political Secretary to the Minister for Education from 1988 to 1991. He served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation. Mr Sam is currently an Independent Director of Lion Asiapac Limited, Stamford Tyres Corporation Ltd, A-Smart Holdings Ltd and Parkson Retail Asia Ltd. He holds a Bachelor of Arts (Honours) in Engineering Science and Economics and a Master of Arts Degree from Oxford University.

WEE SUNG LENG

Mr. Wee has been an Independent Director of our Group since his appointment on 6 November 2013, chairing our Remuneration and Nominating Committees. With his background and diverse experience in the finance and banking sector from credit & marketing, corporate banking and investment banking, Mr. Wee has been actively involved in the origination, due diligence and execution of corporate finance transactions such as initial public offerings, reverse take-overs, share placements and rights issues and has been involved as an independent financial advisor to listed companies in interested persons, delisting and general offer transactions. His previous appointments include regional accountant at Geco-Prakla, part of the NYSE listed Sclumberger Limited, Head of Corporate Finance in HL Bank Singapore as well as Executive Director / Co-Head of Kim Eng Corporate Finance. In his last appointment he was Chief Financial Officer of MoneyMax Financial Services Ltd.

KEY OPERATIONAL MANAGERS

SATIHEEISWARAN SUBRAMANIAM

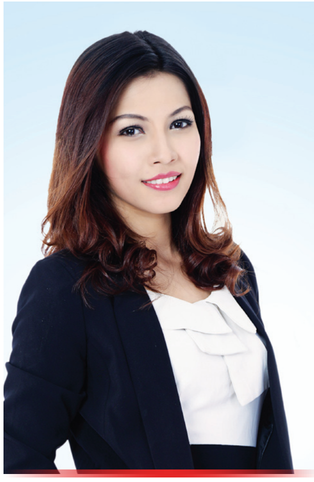
General Manager

Satheeish is in charge of overall operations and overseeing the functions of compliance, corporate finance, human resources.

VINETE

Group Financial Controller

Vinete oversees the finance and compliance functions of the listed company.

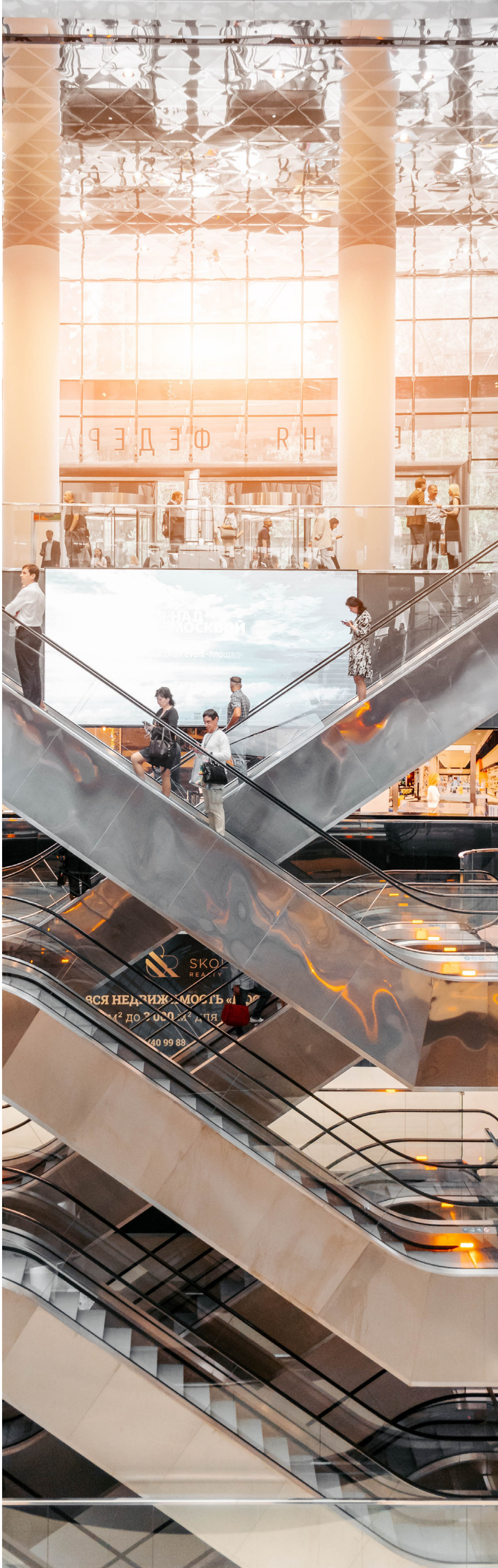


DR KHINE THINZAR HTUN

General Manager, Myanmar

Dr Khine oversees SMI's Myanmar operations.

FINANCIAL CONTENTS



The Board of Directors (the "**Board**") of SMI Vantage Limited ("**SMI**" or the "**Company**", together with its subsidiaries, the "**Group**") is committed to comply with the principles and guidelines of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the "**Code**"). SMI believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders. This Corporate Governance Report sets out SMI's corporate governance practices.

The Board confirms that, for the financial year ended 31 March 2022 ("**FY2022**"), SMI has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the Code, SMI has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. SMI will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

A. BOARD MATTERS

Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Board's Leadership and Control

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board assumes responsibility for the Group's overall strategic plans and performance objectives, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems and corporate governance practices. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

The Board oversees the business performance and affairs of the Group. The Board leads, directs and works closely with Management, to ensure alignment of interests of the Board and Management with that of the shareholders, so as to achieve the long-term sustainable success of the various businesses of the Group.

The Board has established a framework on authorisation and approval limits for capital and operating expenditure, as well as specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency.

Material items that require Board's decision or approval include:

- corporate strategy and business plans;
- investment and divestment proposals;
- capital structure and funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of the Group Chief Executive Officer ("**CEO**");
- announcement of interim and full-year financial reports and the annual report;
- material acquisitions and disposals of assets;
- all matters of strategic importance;
- corporate governance; and
- interested person transactions.

Board Committees

The Board has constituted the following Board Committees to assist the Board in the discharge of its functions:

- the Audit Committee ("**AC**");
- the Nominating Committee ("**NC**"); and
- the Remuneration Committee ("**RC**").

The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this Corporate Governance Report. These Committees play an important role in ensuring good corporate governance in SMI and within the Group. The Board also delegates certain of its functions to these Committees, which would make recommendations to the Board. Each Board Committee is required to operate and make decisions on matters within its Terms of Reference which are reviewed on a regular basis to ensure their continued relevance. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board Meetings

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary to review the financial performance and to update the Board on significant business activities and overall business environment. Throughout the financial year, as and when deemed necessary by the Board, additional Board meetings may be convened to consider urgent proposals or matters that require the Board's review and approval.

The Constitution of SMI (the "**Constitution**") allows Board meetings to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or other communication facilities. When a physical Board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval. The Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

A summary of the number of Board and Board Committee meetings held in FY 2022 and the attendance of the Directors at these meetings is set out in the table below:

Directors' attendance at Board and board committee meetings during FY 2022

Directors	Board Meetings	Board Committee Meetings			General Meeting
		AC	NC	RC	
Number of Meetings held	3	6	2	2	3
Ho Kwok Wai	3	n.a.	n.a.	n.a.	3
Fong Sing Chak Jack	3	6	2	2	3
Wong Yen Siang[1]	2	5	2	2	3
Sam Chong Keen[2]	1	1	0	0	0
Wee Sung Leng	3	6	2	2	3
Mark Francis Bedingham	3	n.a.	n.a.	n.a.	3

Notes:

1. Mr Wong Yen Siang was resigned as Lead Independent Director on 31 January 2022.
2. Mr Sam Chong Keen was appointed as Lead Independent Director on 31 January 2022.

n.a. – not a member

Induction and training of Directors

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

Briefings are conducted by Management for newly-appointed Directors to familiarise with the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. There are also orientation programmes tailored to familiarise newly appointed Directors with the role and responsibilities of a Director of a public company in Singapore.

Upon the appointment of a new Director, SMI would issue a formal letter of appointment setting out the statutory and other duties and obligations of the Director.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as SGX-ST and Singapore Institute of Directors ("**SID**").

In addition, the Company Secretary and members of Senior Management also provide regular updates to the Directors during Board meetings and through emails on key legal, regulatory, industry and accounting changes which affect the Group. Such new releases issued which are relevant to the Directors are circulated to the Board.

The Board is provided with relevant information and analysis by the Management pertaining to matters to be brought before the Board for discussion and decision. Management also provides regular reports on the Group's financial performance and operations to the Board. Board papers are sent to all directors in advance of the Board meetings. Senior managers who have prepared the papers, or who can provide additional insight on the matters to be discussed, are normally invited to present the paper or attend the Board meeting.

As a general rule, notices are sent to the Board at least one week in advance of Board meetings, followed by the Board papers, in order for the Board to be adequately prepared for the meetings.

The Directors are free to conduct independent or collective discussions with Management and the Company Secretaries. Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties. The appointment and the removal of the Company Secretaries is deliberated on by the Board as a whole. The Company Secretaries attend Board meetings and are responsible for, amongst other things, ensuring that Board procedures are observed, and that applicable rules and regulations are complied with. Where the Company Secretaries are unable to attend any Board meeting, they ensure that a suitable replacement is in attendance and that proper minutes of the same are taken and kept.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board size and board composition

The Board comprises five Directors, three of whom are Independent Directors. The Directors at the date of this report are as follows:-

Name of Directors	Board of Directors	Date of Appointment	Date of last re-election	AC	NC	RC	Present Directorship in other Listed Companies	Principal Commitments
Ho Kwok Wai	Non-Executive Director and Chairman	6 November 2013	31 July 2018	–	–	–	Nil	Nil
Mark Francis Bedingham	Executive Director, President and Chief Executive Officer	23 January 2015	27 October 2020	–	–	–	Artisanal Spirits Company plc	Nil
Sam Chong Keen	Lead Independent Director	31 January 2022	N/A	Chairman	Member	Member	Lion Asiapax Limited Stamford Tyres Corporation Limited A-Smart Holdings Ltd. Parkson Retail Asia Limited	Nil
Wee Sung Leng	Independent Director	6 November 2013	26 July 2019	Member	Chairman	Chairman	Combine Will International Holdings Limited Hoe Leong Corporation Ltd.	Nil
Fong Sing Chak Jack	Independent Director	6 November 2013	27 October 2020	Member	Member	Member	Nil	Nil

With effect from 1 January 2022, the Listing Manual of the SGX-ST mandates all listed issuers to maintain a Board Diversity Policy. Although the Company does not have a formal Board Diversity Policy, the Board, through the NC, annually examines its size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance of skills and experience. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The NC believes that, in consideration for the need for diversity, there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board; and no individual or small group of individuals dominates the Board's decision-making process. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

The NC will continue to evaluate and determine the selection criteria for potential candidates with a view to promoting diversity in order to arrive at an optimum balanced composition of the Board. In its review of the composition of the Board, the NC has considered potential candidates with the knowledge, expertise and experience to be appointed to the Board and will, where appropriate, make recommendations to the Board for new Board appointments.

Although the Chairman is not independent, the Independent Directors of the Company make up majority of the Board; there are three independent directors making up more than half of the Board, providing an independent element on the Board capable of exercising objective judgment; no individual or group is able to dominate the Board's decision-making process. It is also noteworthy that given the scope and nature of the Group's operations, the Board is of the view that its current size of 5 is appropriate and conducive to facilitate effective decision-making. In this regard, the Board has also taken into account the complexity and requirement of the Group's businesses. The Directors' academic and professional qualifications are presented in pages 5 to 6 of the Annual Report.

Directors' independence review

The Board, taking into account the views of the NC, assesses the independence of each Director annually and as and when the circumstances require whether or not a director is independent, in accordance with the guidance in the Code. A Director who is independent in conduct, character and judgement, and has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 5% or more in the voting shares of SMI that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Group, is considered to be independent.

After taking into account the views of the NC, all the Directors on the Board are considered by the NC and the Board to be Independent Directors except the following:

Name of Directors	Reasons for non-independence
Ho Kwok Wai	Mr Ho Kwok Wai is deemed not independent as he holds more than 10% of SMI's voting shares.
Mark Francis Bedingham	As President and CEO of the Group, Mr Mark Francis Bedingham is employed by the Group and he holds more than 10% of SMI's voting shares.

The Board also recognises that independent directors may over time develop significant insights in the Group's businesses and operations and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these directors. Presently, Mr Wee Sung Leng has served on the Board for more than nine years from the date of his first appointment in November 2013. The Board has subjected his independence to a particularly rigorous review.

Under Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders and (b) shareholders excluding the Directors and the Chief Executive Officer of the company and their associates. Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director or (ii) the conclusion of the third annual general meeting of the Company following the passing of the resolutions.

As at 5 November 2022, Mr Wee Sung Leng would have served the Board beyond nine years from the date of his first appointment on 6 November 2013. Accordingly, the approval of the shareholders of the Company via the two-tier voting process at the forthcoming annual general meeting of the Company will be required for Mr Wee Sung Leng to continue in office as Independent Director.

Taking into account the views of the NC, the Board concurs that Mr Wee Sung Leng continues to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of SMI. He has continued to express his individual viewpoints, debate issues and objectively scrutinise and challenge Management. He has sought clarification as he required, including through direct access to the Group's employees.

Further, there was a significant change in the Board with the appointment of Mr Ho Kwok Wai as the Chairman in 2013 and Mr Mark Francis Bedingham as President and CEO in 2015. In addition, there has been significant change to the ownership of SMI and change in the businesses of the Group. After taking into account these factors, the Board had determined Mr Wee Sung Leng continues to be considered an Independent Director, notwithstanding he has served on the Board for more than nine years from the date of his appointment.

Role of the Non-Executive Director

Non-executive directors ("**NEDs**") make up a majority of the Board. The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge Management on its assumptions and proposals is fundamental to good corporate governance. The Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

The Board, in particular the NEDs, must be kept well informed of the Group's businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to Management. In addition, the NEDs meet as necessary to review and discuss matters such as board processes, corporate governance initiatives, succession planning, leadership development and other issues of concern. Where necessary or appropriate, the NEDs will meet without the presence of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and the CEO of the Company are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Mr Ho Kwok Wai, who is the Chairman and the Non-Executive Director, is unrelated to the CEO. He:

- ensures board meetings are held when necessary;
- sets the board meeting agenda with the assistance of the Company Secretary and in consultation with the CEO;
- ensures board members are provided with complete, adequate and timely information in compliance with the Code; and
- ensures effective communication within the Board and within the shareholders.

The Board has delegated the daily operations of the Group to the CEO who is Mr Mark Francis Bedingham. He:

- leads the Management team;
- formulates the Group's strategic directions and expansion plans;
- executes the strategic plan;
- reviews the performance of its existing businesses;
- manage the Group's overall business development to achieve the goal set out by the Board; and
- ensures the Directors are kept updated and informed of the Group's businesses.

The Board has a Lead Independent Director to provide leadership in situations where the Non-Executive Chairman is conflicted. The Lead Independent Director also provides feedback to the Non-Executive Chairman after meetings of independent Directors. Mr Sam Chong Keen is the Lead Independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Non-Executive Chairman or the Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (NC Chairman)
2. Mr Sam Chong Keen
3. Mr Fong Sing Chak Jack

The Lead Independent Director, Mr Sam Chong Keen, is a member of the NC.

The Board established the NC to lead and facilitate the selection, appointment and re-appointment of Directors to the Board with written terms of reference that clearly set out its authority and duties.

Key responsibilities include:

- review and recommend the nominations for the appointment or re-appointment of Directors (including alternate director, if any) having regard to the composition and progressive renewal of the Board, each Director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations;

- review the Board structure, size and composition having regards to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of SMI, the core competencies of the Directors as a group and make recommendations to the Board with regard to any adjustments that may be deemed necessary;

- review board succession plan for Directors, in particular for the Chairman of the Board, the CEO and key management personnel;

- determine on an annual basis whether or not a Director is independent;

- assess the performance of the Board and contribution of each Director to the effectiveness of the Board as a whole; and

- recommend to the Board comprehensive induction training programmes for new directors and reviews training and professional development programmes for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

Directors' independence review

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually and as and when circumstances require. The NC has used its best efforts to ensure that Directors appointed to the Board possess the experience and knowledge, business, finance and management skills necessary to our businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Each Independent Director is required to complete a Director's Independence Checklist ("**Checklist**") to confirm his independence annually. The Checklist is drawn up based on the guidelines provided in the Code.

Each Independent Director must also confirm in the Checklist whether he considers himself independent despite not having any relationships identified in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assess the independence of the Directors and recommends its assessment to the Board.

The Board, after taking into account the views of the NC, determined that with the exception of Mr Mark Francis Bedingham and Mr Ho Kwok Wai, all the other three NEDs are independent.

Directors' time commitments and multiple directorships

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The Board does not prescribe a maximum number of listed company board representatives which any director with multiple board representations may hold and in lieu wishes to review the matter on a case by case basis taking into account the ability and performance of each director in his performance and discharge of duties and responsibilities.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of SMI. Such other listed company directorships and principal commitments of each Director are disclosed in the table under "Principle 2" on page 12.

The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board, in making this determination.

The NC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of SMI and have properly discharged their duties for FY2022 and will continue to do so in FY2023. The NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of SMI.

Process for selection and appointment of new Directors

The NC has put in place a formal process for the selection of new Directors to increase transparency of the nomination process in identifying and evaluating nominees for Directors of SMI. The NC leads the process as follows:

- NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and the key attributes that an incoming Director should have.

- After endorsement by the Board of the key attributes, the NC taps on the resources of Directors' personal contacts and recommendations of the potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed in the search process.

- NC meets with the shortlisted candidate to assess suitability and to ensure that the candidate is aware of the expectations and the level of commitment required.

- NC recommends the most suitable candidate to the Board for appointment as Director. They are appointed by way of Board resolutions of SMI.

Process for re-appointment of Directors

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

All Directors submit themselves for re-nomination and re-appointment as regular intervals of at least once every three years. Article 91 of SMI's Constitution provides that one third of the Directors shall retire from office by rotation and be subject to re-appointment at SMI's annual general meeting ("**AGM**").

In addition, Article 97 of SMI's Constitution provides that a newly appointed Director during the financial year must retire and submit himself for re-appointment at the next AGM following his appointment but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Thereafter, he is subject to be re-appointed at least once every three years.

New Directors of the Company and the Group are appointed by way of Board resolutions of the respective companies, after the NC makes necessary recommendations to the Board. According to the Constitution, such new Directors of the Company shall submit themselves for re-election at the AGM of the Company.

The NC has reviewed and recommended the re-election of the following Directors who will be retiring pursuant to SMI's Constitution at the forthcoming AGM to be held on 28 July 2022:

- Mr Wee Sung Leng (retiring pursuant to Article 91)
- Mr Fong Sing Chak Jack (retiring pursuant to Article 91)
- Mr Sam Chong Keen (retiring pursuant to Article 97)

Mr Fong Sing Chak Jack is retiring at the forthcoming AGM and does not intend to seek re-election as Director.

The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election at the forthcoming AGM.

The NC also assessed and reviewed the independence of the Independent Directors, namely Mr Wee Sung Leng and Mr Sam Chong Keen based on the guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Mr Wee Sung Leng and Mr Sam Chong Keen remain independent.

The information relating to the date of last election of the Directors are set out in the table under "Principle 2" on page 12.

Key information regarding the Directors is set out under the section of "Board of Directors" on pages 5 to 6 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

The Board has implemented a process carried out by the NC for assessing the performance and effectiveness of the Board as a whole, its board committees and the contribution of each Director to the effectiveness of the Board on an annual basis.

During FY2022, the Board engaged the Company Secretary to facilitate the evaluation of the Board and Board Committees, as well as the contributions by each Director.

The Board believes that such arrangement not only encourages Directors to be more candid in their evaluation of the Board performance but also enhances the objectivity and transparency of the evaluation process.

Board evaluation process

The NC Chairman, in conjunction with the Chairman of the Board, conducts an annual assessment of the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director. There are three components to this assessment:

a. Self-assessment;
b. Board assessment; and
c. Peer evaluations.

The performance evaluation process begins with an annual meeting between the NC Chairman and SMI's Company Secretary on the evaluation framework to ensure that areas of particular interest and key issues are focused on.

The Company Secretary sends out a customised Board Evaluation Questionnaire ("**Questionnaire**") to each Director for completion. Each Director is required to complete the Questionnaire and send it directly to the Company Secretary. Based on the returns from each of the Directors, the Company Secretary prepares a consolidated report and briefs the NC Chairman and the Chairman of the Board on the report. Thereafter, the Company Secretary presents the report for discussion at a meeting with all the Directors, chaired by the NC Chairman. The NC Chairman then holds a discussion with all Directors to agree on future action plans.

Individual Director Evaluation

The performance of individual Directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new Directors and review of the Board's performance is carried out collectively by the Board on an annual basis. For Board assessment, it is based on factors such as the Board's structure, size, conduct of meetings, corporate strategy and planning, risk management and internal controls, measuring and monitoring performance and financial reporting. In the case of individual assessments, each Director is evaluated based on factors which include the Director's attendance, adequacy of preparation for meetings, participation in discussions as well as industry and business knowledge.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (RC Chairman)
2. Mr Sam Chong Keen
3. Mr Fong Sing Chak Jack

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive and thereby maximise shareholder value.

The functions of the RC include:

- review and recommend to the Board a framework of remuneration for the Directors and key management personnel.

- review and recommend to the Board the specific remuneration packages for the Executive Director(s) of SMI, of which a significant portion of the Executive Director's remuneration is structured to link rewards to corporate and individual performance.

- review all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind.

- review the level and mix of remuneration and benefits policies and practices of SMI, including the long-term incentive schemes on an annual basis. The performance of SMI and that of the Executive Director(s) would be considered by the RC in undertaking such reviews.

- implement and administer the share and other incentive scheme(s) adopted by the Group.

- review the Group's obligations arising in the event of termination of the Executive Director's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to them.

The RC has the authority to seek any external professional advice on matters relating to remuneration of Directors as and when the need arises.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating the Directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term. The Group's compensation framework comprises of fixed pay, short term and long term incentives. The Group subscribes to linking Executive Directors' and key management personnel's remuneration to corporate and individual performance, based on an annual appraisal. The level and structure of remuneration of Executive Directors and key management personnel are aligned with the long term interest and risk policies of SMI.

NEDs receive director fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the NEDs, without over-compensating them as to compromise their independence.

The details are set out under Principle 8 below.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level of mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long term compensation and between cash versus equity incentive compensation.

Directors' Remuneration

For the period under review, the Executive Director's remuneration package includes:

- fixed remuneration
- other benefits
- share-based incentives

It is based on a service agreement entered into between SMI and the Executive Director for a period of three (3) to five (5) years and subject to automatic renewal for subsequent periods of three (3) years unless earlier terminated. Executive Director does not receive Director's Fees.

At the moment, SMI does not use any contractual provisions to reclaim incentive components of the remuneration from the Executive Director in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group. The Executive Director owes a fiduciary duty to SMI and SMI should be able to avail itself to remedy against the Executive Director in the event of such breach of fiduciary duties. The RC will consider, if required, whether there is a requirement to institute such a contractual provision.

NEDs, including the Chairman, are paid Directors' fees, subject to the approval of shareholders at the AGM. The Directors' Fees, determined by the Board, are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors such that the independence of the NEDs is not compromised by their compensation.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

For the financial year under review, the RC had recommended to the Board, total Directors' Fees of S$160,000 for the NEDs, which will be tabled by the Board at the forthcoming AGM for shareholders' approval.

The Board has not included a separate annual remuneration report in its annual report for the current year as it is of the view that the matters, which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and the financial statements of SMI.

A breakdown, showing the level and mix of each individual Director's remuneration payable for FY2022 is as follows:

Name of Director	Fixed Salary	Fees[1]	Bonus	Benefits in kind	Share-based incentives	Total
S$750,000 to S$1,000,000						
Mark Francis Bedingham	21%	0%	0%	2%	78%	100%
Below S$250,000						
Ho Kwok Wai	–	100%	–	–	–	100%
Fong Sing Chak Jack	–	100%	–	–	–	100%
Wong Yen Siang[2]	–	100%	–	–	–	100%
Sam Chong Keen[3]	–	100%	–	–	–	100%
Wee Sung Leng	–	100%	–	–	–	100%

1. Subject to approval by shareholders as a lump sum at the AGM for the financial year ended 31 March 2022.
2. Mr Wong Yen Siang was resigned as Lead Independent Director on 31 January 2022.
3. Mr Sam Chong Keen was appointed as Lead Independent Director on 31 January 2022.

Remuneration of Key Management Personnel

SMI adopts a remuneration policy for staff comprising a fixed component, a variable component and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is aligned to SMI's and individual performance. The other benefits include housing and car benefits.

The remuneration paid to or accrued to the top two key management personnel (who are not Directors or the CEO) for FY2022 is as follows:

Name of Key Executives	Fixed Salary	Bonus	Benefits in kind	Share-based incentives	Total
Below S$150,000					
Satiheeiswaran Subramaniam	69%	12%	–	19%	100%
Gao Guanyi	75%	6%	–	19%	100%

The annual aggregate remuneration paid to the top two key management personnel of SMI (excluding the CEO) for FY2022 is US$147,743. The RC approves the bonus for distribution to staff based on individual contributions as well as the financial performance and commercial needs of the Group and has ensured they are adequately but not excessively remunerated.

The remuneration of each individual Director and key management personnel is not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

No employee of the Group was a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 per annum during this financial year.

Share-based Incentive Plan

There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

The SMI Performance Share Plan ("**PSP**") was adopted at an Extraordinary General Meeting on 30 July 2014. The SMI PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by the Directors.

In addition, the SMI Share Option Scheme ("**SMI ESOS**") was approved and adopted at the EGM of SMI held on 25 July 2017. The key objective of the SMI ESOS is to motivate Group's key management personnel to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Group.

Further details on these incentives can be found in the Notes to the Financial Statements.

Remuneration for the Executive Director and key management personnel in the form of salaries, SMI PSP, SMI ESOS and bonuses are based on corporate and individual performance with emphasis on long term profitability, revenue growth and sustainability of the Company.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible in overseeing the risk governance in the Group to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. It also determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation. The Board has delegated such tasks to the AC.

The Board and the AC are responsible for the governance of risk management matters including (a) monitoring the Company's risk of becoming, subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities.

Based on the audit reports and management controls in place, the Board and AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of the statutory audit, the external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The Board has received assurance from:

(i) the CEO and Group Financial Controller that the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2022 give a true and fair view of SMI's operations and finances; and

(ii) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of SMI's risk management and internal control systems.

Based on the internal controls established and maintained by SMI, work performed by the internal and external auditors and regular reviews performed by Management. In view of the very limited business activities in both Singapore and Myanmar and the inability to travel to Myanmar due to the Covid19 pandemic and the uncertain political situation, no new Internal Auditor ("**IA**")'s activities were carried out since FY2021. However, as the internal control system continued in FY2022, the Board and relevant Board Committees, the Board and AC are of the opinion that the Group's risk management and internal control systems were adequate and effective as at 31 March 2022 to address financial, operational, compliance and information technology risks which SMI considers relevant and material to its operations. This is also supported by the assurance statement from the CEO and Group Financial Controller.

The Board and AC notes that the risk management and internal control systems of the Group provide reasonableness, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that there is no risk management system and internal controls that can provide absolute assurance in this regard or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Sam Chong Keen (AC Chairman)
2. Mr Wee Sung Leng
3. Mr Fong Sing Chak Jack

The AC members are appropriately qualified to discharge their responsibilities and collectively have strong accounting and related financial and legal management expertise and experience. None of the AC members is a former partner or director of the Group's existing auditing firm or auditing corporation.

The AC performs the functions as set out in the Code including the following:

- review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and Management's response;

- review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

- review the internal control and procedures and ensure co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors to discuss problems and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

- review the adequacy and effectiveness of SMI's risk management and internal control systems (including financial, operations, compliance and information technology controls) and to report to the Board annually;

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have material impact on SMI's operating results or financial position and Management's response;

- consider and recommend the appointment or re-appointment of the external auditors, matters relating to the resignation or dismissal of the auditors and the remuneration and terms of engagement of the external auditors;

- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

- review potential conflicts of interest, if any;

- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring attention of AC;

- generally undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time;

- review the assurance from the CEO and the Group Financial Controller on the financial records and financial statements; and

- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on and to ensure that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation from Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings and to require Management to provide it with reasonable resources to enable it to discharge its functions properly.

The AC meets with the external auditors, at least once a year, without the presence of Management. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the Listing Manual of the SGX-ST.

Half-yearly financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

During the financial year, the AC reviewed the half-yearly and full year financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of SMI's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them and potential interested person transactions. It also reviewed the scope, results and effectiveness of the internal and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complains are monitored and reviewed by the AC.

Significant matters that were discussed with Management and the external auditors have been included as key audit matters ("**KAMs**") in the independent auditors' report for the financial year ended 31 March 2022, as set out on pages 35 to 39 of this Annual Report.

The AC, considering the report from the external auditors, including their findings and views on the key areas of audit focus, concluded that SMI's accounting treatment and estimates in each of the KAMs was appropriate.

External Auditors

The AC has conducted an annual review of the performance of the external auditor and the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independency and objectivity of the external auditors, before confirming their re-nomination.

The aggregate amount of fees paid or payable to the external auditors of the Group, broken down into audit and non-audit services for the financial year ended 31 March 2022 are as follows:

- Audit fees: US$81,246.00
- Non-audit fees: US$2,193.64

The Company's external auditors, PKF-CAP LLP was appointed as external auditors of the Company at the Company's Extraordinary General Meeting held on 20 January 2022, and will hold office until the conclusion of the Company's forthcoming AGM to be held on 28 July 2022. PKF-CAP LLP will be seeking re-appointment as external auditors of the Company.

SMI engages suitable independent auditors to audit its foreign incorporated subsidiaries and joint ventures, as disclosed in Notes 16 and 18 to the financial statements in this annual report which have been cleared by SMI's external auditors. The Board and AC have reviewed and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of SMI.

SMI confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the Listing Manual of the SGX-ST.

Internal Audit

SMI engaged Baker Tilly Consultancy (Singapore) Pte Ltd ("**Baker Tilly**") to develop a comprehensive set of group policies and procedures ("**Group policies**") in November 2016. The AC reviewed and approved the Group policies as well as appointed Baker Tilly to be the internal auditor ("**IA**") in May 2017. However, the IA has been suspended since FY2021 due to limited level of activities in Myanmar. The Board and the AC are in the midst of seeking new IA for the Company's new business.

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of SMI to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Company complies with the relevant laws, regulations and policies established by the SMI.

The IA have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The internal audit function has appropriate standing within the Company. The AC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing to perform its functions effectively.

In view of the very limited business activities in both Singapore and Myanmar and the inability to travel to Myanmar due to Covid19 pandemic and the uncertain political situation, no new IA activities were carried out since FY2021. However, as the internal control system continued in FY2022, the Board and relevant Board Committees, the Board and AC are of the opinion that the Group's risk management and internal control systems were adequate and effective as at 31 March 2022 to address financial, operational, compliance and information technology risks which SMI considers relevant and material to its operations.

Whistleblowing Policy

The Group also has a Whistleblowing Policy to allow staff to raise concerns or observations in confidence to SMI about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Whistleblowing Policy encourages staff to identify themselves whenever possible to facilitate investigations but will also consider anonymous complaints, in certain circumstances. Moreover, the Company is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal and detrimental or unfair treatment. It makes available to staff the contact details of the Receiving Officer who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholders Rights and Responsibilities

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

SMI respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. SMI keeps all of its shareholders sufficiently informed of its corporate affairs and activities, including any changes to SMI or its business which may materially affect the price or value of SMI shares on a timely basis.

All new material price-sensitive information is disclosed on an adequate, accurate and timely basis via SGXNET, which are also posted on the SMI Investor Relation ("**IR**") website. SMI recognises that the release of timely and relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting. These notices are published in the local newspaper and posted onto SGXNET and SMI IR website. These notices are also contained in annual reports or circulars which are sent to all shareholders.

All shareholders are entitled to attend and vote at general meetings, afforded the opportunity to participate effectively in the general meetings and informed of the rules governing general meetings of shareholders. The Constitution of the Company allows each shareholder to appoint up to two proxies to attend, speak and vote in their place at general meetings. SMI does not provide for absentia voting methods such as by mail, email or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

Pursuant to the Companies (Amendment) Act 2014, a shareholder who is a "relevant intermediary", is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

At general meetings of shareholders, each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as, where applicable, adoption of Audited Financial Statements together with Directors' Statements and Independent Auditors' Report, remuneration of directors, re-election of directors, change of auditors and assignment of authority to the directors to fix their remuneration and authorisation to issue additional shares. Votes cast for and against and the respective percentages on each resolution will be displayed to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNET. Each share is entitled to one vote. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

All Directors, including the Chairmen of the AC, NC and RC and senior Management, are in attendance at the general meetings of shareholders to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Group. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held within four months after the close of the financial year.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

SMI does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts include the Group's profit growth, level of cash available, projected levels of capital expenditure and investment plans and any other factors as the Board may deem appropriate.

No dividend was paid for the financial year ended 31 March 2022 as the Group reported a net operating loss for the year.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

SMI protects and facilitates the exercise of shareholders' rights. In addition to the matters mentioned above in relation to "Access to Information", there are regular, effective and non-discriminatory communications between shareholders and Management who will receive and attend to their queries and concerns.

SMI provides regular and timely information to the investment community regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information. In addition to shareholders' meetings, the CEO meet with investors, analysts and the media, as well as participate in industry conferences to solicit and understand the views of the investment community. The CEO also travelled widely for non-deal roadshows to meet investors across countries. Such meetings provide useful platforms for the CEO to engage with investors and analysts.

SMI has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Apart from SGXNET, announcements and the annual report, the SMI IR website at sin-mi.listedcompany.com, which is regularly updated, is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials as well as other corporate information relating to the Group. However, new material price-sensitive information such as financial results are released via SGXNET before being posted on the SMI IR website or before any media or analyst conferences are conducted. This ensures fair and non-selective disclosure of information to all shareholders.

Shareholders may direct their queries and concerns to SMI at the contact particulars given at the SMI IR website.

MANAGING STAKEHOLDERS RELATIONSHIPS
ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has put in place practices (including the maintenance of a current corporate website) that enable regular communication and engagement with stakeholders, so as to understand and address their needs and interests.

Formal materiality assessment exercises with internal and external stakeholders were also conducted from FY2019/2020 to FY2021/2022 to identify environment, social and governance (ESG) topics that matter to them. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company.

DEALINGS IN SECURITIES

In line with the SGX listing rules, SMI has in place a policy and guidelines on dealings in the Company's securities, which have been disseminated to employees of the Group and Directors of the companies within the Group.

Directors and officers of the Group should not deal in the Company's securities during the periods commencing two weeks before the announcement of the Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Group's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the Group's half year and full year financial statements (if the Company does not announce its quarterly financial statements), or if they are in possession of unpublished price-sensitive information on the Group. The Company refrains from purchasing its shares during these periods and at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. Directors and officers are also required to comply with insider trading laws at all times even when dealing in the Company's securities outside the prohibited trading period. They are also discouraged trading on short-term considerations.

The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in the Company's securities.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, SMI confirms that except as disclosed below in the Interested Person Transactions Section, and in the Directors' Statement and Financial Statements, there were no other material contracts and loans of SMI and the Group involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

SMI has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of SMI and its minority shareholders.

SMI has not obtained a general mandate from shareholders for interested person transactions ("**IPTs**").

The aggregate value of IPTs during the reporting year was as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions conducted during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY2022	FY2021	FY2022	FY2021
Ho Kwok Wai	Director: Loan from Director and interest accrued thereon	US$2,092,078.68	US$2,057,557.74	–	–
Mark Francis Bedingham	Director: Loan from Director and interest accrued thereon	US$3,708,024.66	US$5,739,719.76	–	–

Mr Ho Kwok Wai is the Non-Executive Chairman and controlling shareholder of SMI who holds 31.56% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting year, Mr Ho Kwok Wai has granted the following loan to SMI:

Date of Loan Agreement	Loan Amount (US$)	Interest Rate	Tenure
8 January 2018	2,000,000[1]	2.34% per annum	Repayable twenty-four months from the date of first disbursement upon giving seven days' notice by Mr Ho Kwok Wai to SMI

Note:

1 US$1,940,000 has been disbursed with remaining US$60,000 available for disbursement as and when needed by SMI.

Mr Mark Francis Bedingham is the Executive Director, President and CEO and controlling shareholder of SMI who holds 33.69% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting period, Mr Mark Francis Bedingham has granted the following loans to SMI, all of which have been fully disbursed and remain outstanding.

Date of Loan Agreement	Loan Amount (US$)	Interest Rate	Tenure
10 September 2018	150,000	2.34% per annum	Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
11 October 2018	300,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
1 April 2021	100,000		Repayable two months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
14 May 2021	100,000		Repayable two months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
21 December 2021	2,500,000		Repayable two years from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
15 March 2022	500,000		Repayable two years from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI

The interest rate for the loan was agreed between the parties having regard to the applicable interest rate of 2.34% charged by United Overseas Bank Limited, being SMI's main banker, for a two-year working capital loan. The loan is unsecured.

CORPORATE GOVERNANCE REPORT

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 31 March 2022 is set out as below:

	Amount utilised US$'000
Placement proceeds	1,305
Investment in crypto mining (including machines)	(300)
Payment for professional services in relation to the share placement and share conversion	(416)
Payment for operating expenses:	
- Staff costs	(268)
- Office rental expenses	(56)
- Marketing expenses	(20)
- Other administrative expenses	(5)
Balance	**240**

CORPORATE SOCIAL RESPONSIBILITY

Sustainable growth is an important consideration for SMI's business. The Board of Directors of SMI (the "Board") has considered the sustainability topics as part of our business strategy. The Board oversees the monitoring and management of the material ESG aspects.

In prior years, we have established some sustainability targets in our inaugural sustainability report. This year, we need to advise that only limited progress could be made as most of the operations in Myanmar, particularly our largest operation Travel Retail, were closed throughout nearly all of the year.

Measures have been taken to reduce plastic usage in our Food & Beverage (F&B) and Travel & Fashion Retail operations, reducing plastic bag usage as well as the usage of plastic cups in our restaurants. In the upcoming years, we will look into implementing more initiatives to further reduce plastic waste in our operations.

We have focused this year on providing opportunities and funding for the people working on our business in Myanmar to be vaccinated for COVID-19, more than 300 people have benefited so far, with 280 being vaccinated with 2 doses and 100 people with booster shoots. In addition, we have acquired oxygen supply equipment for emergency treatment. We have also supplied dedicated transport so that those working in the domestic market can move safely and securely between their homes and places of work. In Singapore, we have implemented work from home in accordance with government regulations.

We greatly value our people and seek to continue to grow our talent pool through our investments in training and development of our employees which we plan to renew after recovery of the local economy and opening up to international travel.

We have contributed to the development of local communities by creating jobs, paying taxes and doing business with local enterprises. We have been a major sponsorship of Room to Read the educational charity and have also sponsored performance by young Myanmar nationals who are developing an interest in classical music.

SMI will issue the full Sustainability Report on 28 July 2022.

STATEMENT BY DIRECTORS

The directors hereby present the present their statement to the members together with the audited consolidated financial statements of SMI Vantage Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2022.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Ho Kwok Wai	
Mark Francis Bedingham	
Fong Sing Chak Jack	
Wee Sung Leng	
Sam Chong Keen	(Appointed on 31 January 2022)

3. Arrangements to enable directors to acquire benefits by means of the acquisition shares and debentures

Other than as disclosed under "Employee share option scheme and performance share plan" in this statement, neither at the end of the financial year nor at any time during the financial year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

4. Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

Name of directors and companies in which interests are held	At beginning of the financial year	At end of the financial year	At 22 April 2022
The Company	Number of shares of no par value		
Ho Kwok Wai	164,749,871	164,749,871	164,749,871
Mark Francis Bedingham	38,508,321	175,918,383	175,918,383
Fong Sing Chak Jack	1,000,000	1,000,000	1,000,000
The Company	Number of shares award but not issued yet		
Mark Francis Bedingham	4,500,000	–	–

By virtue of Section 7 of the Companies Act 1967, Ho Kwok Wai and Mark Francis Bedingham are deemed to have interests in the ordinary shares of all the related body corporates of the Company.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

5. Employee share option scheme and performance share plan

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted except as follows:

SMI Vantage Limited Employee Share Option Scheme ("SMI ESOS")

The Company has an employee share option scheme known as the "SMI Vantage Limited Employee Share Option Scheme" ("SMI ESOS").

The SMI ESOS was approved and adopted at the Extraordinary General Meeting ("EGM") of the Company held on 25 July 2017.

5. Employee share option scheme and performance share plan (cont'd)

SMI Vantage Limited Employee Share Option Scheme ("SMI ESOS") (Cont'd)

The SMI ESOS is established for the benefit of all personnel in the key management team and its objectives are as follows:

(a) to incentivize all participants;

(b) to motivate participants to optimise performance, efficiency and productivity;

(c) to reward and retain key participants whose contributions are important to the long-term prospect and profitability of the group;

(d) to promote a sense of loyalty amongst the participants to further the growth of the group; and

(e) to align the interests of the participants with the interests of the shareholders.

Subject to the absolute discretion of the Remuneration Committee ("RC"), key employees shall be eligible to participate in the SMI ESOS, provided that as of the offer date such key employees:

(a) have attained the age of 21 years;

(b) are not undischarged bankrupts;

(c) in the opinion of the committee, have contributed or will contribute to the success and development of the group;

(d) must hold such position as may be designated by the company from time to time; and

(e) must have their eligibility confirmed by the company as at each proposed date of grant as determined by the committee.

Key employees who are controlling shareholders or their associates shall not participate in the SMI ESOS, unless:

(a) such participation is approved by independent shareholders and that a separate resolution is and will be passed to approve the participation of each such person and further that the resolution will approve the actual number and terms of options to be granted to that participant;

(b) the actual number and terms of any option to be granted to them have been specifically approved by shareholders who are not beneficiaries of the SMI ESOS in a general meeting in separate resolutions for each such controlling shareholder or his associates; and

(c) all conditions for their participation in the SMI ESOS as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regards, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of SMI shares available to controlling shareholders and their associates must not exceed 25% of the SMI shares available under the SMI ESOS; and (2) the number of SMI shares available to each controlling shareholder or his associates must not exceed 10% of the SMI shares available under the SMI ESOS.

5. Employee share option scheme and performance share plan (cont'd)

SMI Vantage Limited Employee Share Option Scheme ("SMI ESOS") (Cont'd)

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	Grant date	Exercise period	Number of options at 31 March 2022 '000	2021 '000
S$0.46	4 October 2017	From 4 October 2019 to 3 October 2022	**283**	437
S$0.29	8 June 2018	From 7 June 2020 to 7 June 2023	**245**	380
S$0.13	13 June 2019	From 13 June 2019 to 12 June 2021	**-**	575
S$0.13	06 July 2021	From 6 July 2022 to 5 July 2025	**461**	-
Balance at end of the year			**989**	1,392

SMI Vantage Limited Performance Share Plan ("PSP")

The SMI Vantage Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by directors.

On 13 June 2019, the Company granted 4,500,000 share award under the PSP to Mark Francis Bedingham, a Director of the Company. The share award has a vesting period of 24 months from 1 April 2019. During the financial year, on 8 April 2021, 4,500,000 shares were issued to the Director under the PSP.

On 27 March 2020, the Company granted a further 14,000,000 share award under the PSP to Mark Francis Bedingham. The share award has no vesting period. The 14,000,000 shares were issued pursuant to the PSP during the prior financial year.

6. Report of Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Sam Chong Keen (Chairman) (Appointed on 31 January 2022)
Wee Sung Leng
Fong Sing Chak Jack

6. Report of Audit Committee (cont'd)

The Audit Committee ("AC") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the SGX Listing Manual and Code of Corporate Governance, which include *inter alia* the following:

(i) reviewed the audit plan of the Company's independent auditors and, if any, their report on any recommendations on internal accounting controls arising from the statutory audit;

(ii) reviewed the assistance given by the Company's management to the independent auditors;

(iii) reviewed the quarterly and annual statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 before their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group;

(iv) reviewed the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's performance;

(v) reviewed the effectiveness of the Group's material internal control systems, including financial, operational, compliance and information technology controls and risk management;

(vi) met with the independent auditors, other committees, and/or the management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(viii) reviewed the scope and results of the external audit, cost effectiveness and independence and objectivity of the independent auditors;

(ix) reviewed the nature and extent of non-audit services provided by the independent auditors;

(x) recommended to the Board of Directors the independent auditors to be nominated, approved the compensation and terms of engagement of the auditors;

(xi) reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and

(xii) reviewed interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Manual.

6. Report of Audit Committee (cont'd)

The AC convened four meetings during the year. In performing its function, the AC has also met with the internal and external auditors, without the presence of the Company's management, at least once a year.

The Company confirms that Rules 712 and 715 of the SGX-ST's Listing Manual have been complied with.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

7. Directors' opinion on the adequacy of internal controls

It is the opinion of the Board of Directors with the concurrence of the AC that the system of internal controls, which addresses the Group's financial, operational, compliance and information technology risks, maintained by the Group is in place and adequate throughout the financial year and up to the date of this report.

8. Auditor

The auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

....	....
Ho Kwok Wai	Mark Francis Bedingham
Director	Director

30 June 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SMI Vantage Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Assessment of impairment of trade receivables

As at 31 March 2022, the Group had trade receivables of US$19.5 million (2021: US$23.9 million) as disclosed in Note 19 to the financial statements which accounts for 67% (2021: 68%) of the total assets of the Group . Approximately 98% (2021: 97%) of the net trade receivables are due from the Group's major distributors and an associate in Myanmar. Management has performed an impairment review based on the expected credit loss ("ECL") model and based on the review, ECL allowance of US$6.0 million (2021: US$6.0 million) was provided for by management.

The estimated credit loss allowance is based on the historical and forward looking trends of the receivables from these distributors and associate, which includes analysis of the age of these receivables, credit worthiness of the distributors and associate and future collectability.

We identified this as a key audit matter as the assessment of the determination of ECL requires management to exercise significant judgement and estimation. In determining the credit quality and whether any significant increase in credit risk occurs, the standard requires both forward-looking and historical information to be considered.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We performed an evaluation of the Group's policies and procedures in assessing impairment of financial assets.
- We evaluated the impairment assessment performed by management through the following:

  a) We discussed with management on the basis adopted by management in assessing the recoverability of the outstanding trade receivables from the Group's major distributors and an associate in Myanmar. During the discussion, we also enquired management on the respective distributors' and associate's business models and business environment in which these distributors and associate operate in Myanmar and obtained confirmation from the distributors and associate on the outstanding trade receivable balances at the end of the financial year.

  b) We evaluated the Group's parameters and assumptions used in the collective impairment model, and compared them with observable economic data, market information and industry trends.

  c) We assessed the credit risks of the debtors by analysing the payment history and receipts subsequent to year end of selected debtors and considered events or indicators which resulted in increase in credit risk of those debtors.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Assessment of impairment of trade receivables (cont'd)

- We discussed with management and scrutinised the appropriateness of those key assumptions applied in management's impairment assessment, and compared them with available external evidence where appropriate. We also applied sensitivity testing of the underlying key assumptions.

- We evaluated the adequacy of disclosure in the financial statements.

Assessment of impairment of plant and equipment

The Group and Company have plant and equipment with carrying values of US$5.6 million (2021: US$7.6 million) and US$0.4 million (2021: US$0.5 million) respectively as disclosed in Note 14 to the financial statements. Included in the Group's plant and equipment are plant and equipment with carrying values of US$4.9 million (2021: US$6.9 million) which are leased out to the Group's major distributors to be utilised in the retail and food & beverage outlets operated by the distributors.

An impairment review is performed when there are indications of impairment. Management had carried out impairment assessment to determine whether the recoverable amount of the plant and equipment are less than the respective carrying amounts using the value in use method. The value in use calculation requires management to estimate the future cash flows that the Group and Company expect to derive from the assets. In estimating the future cash flows, management forecasted the future cash flows based on historical information and latest approved budgets and forecasts as well as using suitable discount rates in order to calculate present value of the future cash flows in deriving the value in use.

We have reviewed the impairment loss to assess the adequacy of the impairment loss provision for the year ended 31 March 2022. We identified this as a key audit matter as the estimation of the value in use involved significant management judgement and estimation.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We performed evaluation of the Group's policies and procedures to identify indicators for potential impairment of the plant and equipment.

- We reviewed the discounted future cash flows used to assess the value in use of the cash generating unit ("CGU") to which the plant and equipment is allocated for impairment testing, including reperforming the calculations to verify the accuracy.

- We assessed that the discounted future cash flows are based on the budgets approved by the Board of Directors.

- We assessed the appropriateness of the key assumptions used such as revenue growth rates, Earnings Before Interest and Tax ("EBIT") margins, discount rates and long-term economic growth rates when performing the assessment together with our internal valuation specialists.

- We assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.

- We assessed the adequacy of the disclosure in the financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

<u>Assessment of impairment of investment in joint venture</u>

As at 31 March 2022, the Group and Company had investment in joint venture of US$0.6 million (2021: US$0.8 million) and US$0.9 million (US$0.9 million) respectively as disclosed in Note 18 to the financial statements.

This pertains to the Group's joint venture investment with Senko Co., Ltd. (Japan) in SMI-Senko Logistics Pte Ltd which has incurred a net loss of US$0.05m (2021: net profit of US$0.13m). An impairment review is performed when there are indications of impairment. Management had carried out impairment assessment to determine whether the recoverable amount of the investment in joint venture is less than the respective carrying amounts using the value in use method. Management has assessed that SMI-Senko Logistics Pte Ltd is a CGU that generate independent cash flows from other segments of the Group for impairment purpose.

The value in use calculation requires management to estimate the future cash flows that the Group and Company expect to derive from the CGU. In estimating the future cash flows, management forecasted the future cash flows based on historical information and latest approved budgets and forecasts as well as using suitable discount rates in order to calculate present value of the future cash flows in deriving the value in use of the CGU.

We have reviewed the impairment loss and noted that no impairment was made for the year ended 31 March 2022. We identified this as a key audit matter as the estimation of the value in use involved significant management judgement and estimation.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We performed evaluation of the Group's policies and procedures to identify indicators for potential impairment of the investment in joint venture.

- We reviewed the discounted future cash flows used to assess the value in use of the joint venture which is assessed as a stand alone CGU for impairment testing, including reperforming the calculations to verify the accuracy.

- We assessed that the discounted future cash flows are based on the budgets approved by the Board of Directors.

- We assessed the appropriateness of the key assumptions used such as revenue growth rates, Earnings Before Interest and Tax ("EBIT") margins, discount rates and long-term economic growth rates when performing the assessment together with our internal valuation specialists.

- We assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.

- We assessed the adequacy of the disclosure in the financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Going concern assessment

The Group incurred losses from continuing operations, net of tax of US$4.0 million (2021: US$5.1 million) for the financial year ended 31 March 2022. As at 31 March 2022, the Group is in net current liabilities of US$1 million (2021: US$11.3 million).

During the current financial year, on 12 October 2021, shareholders' loans and the associated accrued interests of US$5.05 million were converted into share capital of the Company. On the same day, the Company received cash injection of US$1.2 million via the issuance of new shares to shareholders. The Company also received additional shareholders' loans of US$3.2 million during the year. These measures have contributed to the improved liquidity position of the Group from net current liabilities of US$11.3 million in prior year to US$1 million as at 31 March 2022.

The Group has managed to negotiate and reached agreements with its trade creditors to extend the deadline for the repayment of amounts due to the trade creditors amounting to US$0.9 million as at 31 March 2022 to be paid after 31 March 2023. Notwitstanding this, the Group is still eligible to settle these amounts due to its trade creditors prior to 31 March 2023 should it opt to do so. As the amounts due to the trade creditors are liabilities incurred and held primarily for the purpose of trading, these amounts are classified as current liabilities as at 31 March 2022.

The Group has also obtained undertakings from the shareholders concerned not to recall the remaining shareholders' loans of US$5.59 million, and to provide financial support for at least another 12 months from the reporting date. Accordingly, the shareholders' loans have been reclassified to and are presented as non-current liabilities as at 31 March 2022.

Additionally, the latest developments in Myanmar such as the reopening of the Yangon International Airport ("YIA") and lifting of the COVID-19 curfew restrictions are expected to allow for the gradual resumption of economic and tourism activities. This is expected to contribute to to the improved business performance of the Group's distributors and associate in Myanmar which will facilitate the recovery and repayments of the amounts due to the Group from these parties which will further improve the Group's liquidity position moving forward.

We have reviewed the going concern assessment by management and noted that the Group and Company are capable to continue as going concerns. We identified this as a key audit matter as the going concern assessment including the preparation of the cash flow forecasts for the next 12 months from the reporting date involved significant management judgement and estimation.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We evaluated management's going concern assessments for the Group and Company.

- We reviewed the latest available cash flow forecasts for the next 12 months from the reporting date factoring in the latest developments of the Group's travel & fashion and food & beverage segments in Myanmar such as the reopening of the Yangon International Airport ("YIA") and lifting of the COVID-19 curfew restrictions.

- We assessed that the latest cash flow projections are based on the budgets approved by the Board of Directors.

- We assessed the adequacy of the disclosure in the financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements for the financial year ended 31 March 2021 were audited by another auditor whose report dated 30 November 2021 expressed a disclaimer opinion on those financial statements.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

30 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2022

	Notes	Group 2022 US$'000	Group 2021 US$'000
Revenue	5	**(50)**	335
Cost of sales**		**(4)**	(387)
Gross loss		**(54)**	(52)
Other income and gains	6	**994**	506
Distribution costs		**(383)**	(738)
Administrative expenses**	7	**(3,718)**	(3,754)
Finance costs	8	**(560)**	(782)
Other losses	6	**(126)**	(397)
Share of loss from equity-accounted associates	17	-	*
Share of (loss)/profit from equity-accounted joint ventures	18	**(202)**	71
Loss before tax from continuing operations		**(4,049)**	(5,146)
Income tax income	11	**-**	3
Loss from continuing operations, net of tax		**(4,049)**	(5,143)
Loss from discontinued operations, net of tax	12	**(76)**	(129)
Loss net of tax		**(4,125)**	(5,272)
Loss attributable to:			
Equity holders of the Company		**(4,125)**	(5,375)
Non-controlling interests		**-**	103
Loss for the year		**(4,125)**	(5,272)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(4,125)**	(5,375)
Non-controlling interests		**-**	103
Total comprehensive loss for the year		**(4,125)**	(5,272)
Loss per share from continuing and discontinued operations attributable to equity holders of the company		**Cents**	Cents
Basic loss per share	13		
From Continuing Operations		**(0.97)**	(1.67)
From Discontinued Operations		**(0.02)**	(0.04)
		(0.99)	(1.71)
Diluted loss per share	13		
From Continuing Operations		**(0.97)**	(1.67)
From Discontinued Operations		**(0.02)**	(0.04)
		(0.99)	(1.71)

* Amounts less than US$1,000

** Comparative information has been adjusted due to the reclassification of depreciation charges of plant and equipment from cost of sales to administrative expenses as disclosed in Note 30.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Non-current assets					
Plant and equipment	14	**5,571**	7,587	**360**	478
Intangible assets	15	**65**	142	**–**	–
Right-of-use assets	14A	**251**	901	**77**	154
Investments in subsidiaries	16	**–**	–	**–**	–
Investments in associates	17	**–**	–	**–**	–
Investments in joint ventures	18	**597**	799	**900**	900
Trade and other receivables	19	**16,757**	16,608	**18,062**	15,263
Other non-financial assets	20	**39**	57	**23**	23
Total non-current assets		**23,280**	26,094	**19,422**	16,818
Current assets					
Inventories	21	**28**	74	**–**	–
Trade and other receivables	19	**2,999**	8,113	**6,685**	7,388
Other non-financial assets	20	**302**	466	**522**	1,160
Cash and cash equivalents	22	**2,359**	198	**335**	85
Total current assets		**5,688**	8,851	**7,542**	8,633
Total assets		**28,968**	34,945	**26,964**	25,451
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	23	**66,895**	60,067	**66,895**	60,067
Accumulated losses		**(55,021)**	(50,896)	**(47,086)**	(45,518)
Employee share option reserves	10	**61**	523	**61**	523
Equity attributable to owners of the Company		**11,935**	9,694	**19,870**	15,072
Non-controlling interests		**–**	–	**–**	–
Total equity		**11,935**	9,694	**19,870**	15,072
Non-current liabilities					
Lease liabilities	25	**1,234**	667	**–**	89
Other financial liabilities	26	**9,086**	4,476	**5,590**	390
Total non-current liabilities		**10,320**	5,143	**5,590**	479
Current liabilities					
Income tax payable		**767**	775	**1**	2
Trade and other payables	24	**3,850**	8,637	**1,412**	3,116
Lease liabilities	25	**596**	1,872	**91**	82
Other financial liabilities	26	**1,500**	8,824	**–**	6,700
Total current liabilities		**6,713**	20,108	**1,504**	9,900
Total liabilities		**17,033**	25,251	**7,094**	10,379
Total equity and liabilities		**28,968**	34,945	**26,964**	25,451

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2022

Group	Share capital	Accumulated losses	Employee share option reserves	Total	Non-controlling interests	Total equity
	Equity attributable to owners of the Company					
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current year:						
Opening balance at 1 April 2021	60,067	(50,896)	523	9,694	–	9,694
Changes in equity:						
Total comprehensive loss for the year	–	(4,125)	–	(4,125)	–	(4,125)
Issue of shares (Note 23)	1,614	–	(427)	1,187	–	1,187
Conversion of shareholder's loans and accrued interests (Note 23)	5,050	–	–	5,050	–	5,050
Share-based payments (Note 10)	164	–	(35)	129	–	129
Closing balance at 31 March 2022	**66,895**	**(55,021)**	**61**	**11,935**	–	**11,935**
Previous year:						
Opening balance at 1 April 2020	59,862	(45,521)	515	14,856	(103)	14,753
Changes in equity:						
Total comprehensive loss for the year	–	(5,375)	–	(5,375)	103	(5,272)
Issue of shares (Note 23)	205	–	(205)	–	–	–
Share-based payments (Note 10)	–	–	213	213	–	213
Closing balance at 31 March 2021	60,067	(50,896)	523	9,694	–	9,694

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2022

Company	Share capital	Accumulated losses	Employee share option reserves	Total equity
	US$'000	US$'000	US$'000	US$'000
Current year:				
Opening balance at 1 April 2021	60,067	(45,518)	523	15,072
Changes in equity:				
Total comprehensive loss for the year	–	(1,568)	–	(1,568)
Issue of shares (Note 23)	1,614	–	(427)	1,187
Conversion of shareholder's loans and accrued interests (Note 23)	5,050	–	–	5,050
Share-based payments (Note 10)	164	–	(35)	129
Closing balance at 31 March 2022	**66,895**	**(47,086)**	**61**	**19,870**
Previous year:				
Opening balance at 1 April 2020	59,862	(43,507)	515	16,870
Changes in equity:				
Total comprehensive loss for the year	–	(2,011)	–	(2,011)
Issue of shares (Note 23)	205	–	(205)	–
Share-based payments (Note 10)	–	–	213	213
Closing balance at 31 March 2021	60,067	(45,518)	523	15,072

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2022

	Group 2022	Group 2021
	US$'000	US$'000
Cash flows from operating activities		
Loss before tax from continuing operations	**(4,049)**	(5,146)
Loss before tax from discontinued operations	**(76)**	(156)
Loss before tax, total	**(4,125)**	(5,302)
Adjustments for:		
Depreciation of plant and equipment	**2,082**	2,307
Amortisation of intangible assets	**77**	162
Depreciation of right-of-use assets	**161**	407
Allowance for impairment on trade and other receivables	**126**	148
Interest income	–	(8)
Interest expense	**560**	782
Impairment losses on plant and equipment, net of reversal	**10**	61
Loss on termination of leases	**91**	–
Loss on disposal of plant and equipment	**50**	7
Plant and equipment written off	–	40
Right-of-use assets written-off	**74**	–
Share of results of joint ventures, net of tax	**202**	(71)
Intangible assets written off	–	181
Inventories written off	**17**	–
Share based payments	**129**	213
Unrealised foreign exchange gains	**(875)**	(483)
Operating cash flows before changes in working capital	**(1,421)**	(1,556)
Inventories	**29**	413
Trade and other receivables	**4,789**	868
Other non-financial assets	**189**	53
Trade and other payables, current	**(4,396)**	(675)
Net cash flows used in operations	**(810)**	(897)
Income tax (paid)/refunded	**(2)**	3
Net cash used in operating activities	**(812)**	(894)
Cash flows from investing activities		
Purchase of plant and equipment	**(153)**	(232)
Proceeds from disposal of plant and equipment	**27**	308
Proceeds from disposal of subsidiaries, net of cash disposed	–	50
Interest received	–	7
Net cash (used in)/generated from investing activities	**(126)**	133
Cash flows from financing activities		
Proceeds from issuance of shares	**1,187**	–
Interest paid	**(495)**	(263)
Payment of principal portion of lease liabilities	**(385)**	(92)
(Decrease)/Increase in borrowings	**(40)**	4
Conversion of bank overdraft to bank loans	–	4,086
Transactions with non-controlling interests of subsidiary	–	(368)
Proceeds from loans from shareholders	**3,200**	390
Net cash generated from financing activities	**3,467**	3,757
Net increase in cash and cash equivalents	**2,529**	2,996
Cash and cash equivalents at beginning of the year	**(386)**	(3,450)
Effects of exchange rate changes on cash balances held in foreign currencies	**216**	68
Cash and cash equivalents at end of the year (Note 22A)	**2,359**	(386)

The accompanying notes form an integral part of these financial statements.

1. General

SMI Vantage Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by Directors.

The principal activity of the Company is an investment holding. The Company registered a branch in Myanmar so as to have a stronger business presence to support its Myanmar businesses. The principal activities of its subsidiaries are described in Note 16 to the financial statements below. The registered office and principal place of business of the Company is at 300 Beach Road, #31-03, The Concourse, Singapore 199555.

Impact of COVID-19 pandemic and the aftermath

The impact of the COVID-19 pandemic and the aftermath of the pandemic globally forced the Group to suspend or limit its business operations during the year. Measures were taken to contain the spread of COVID-19, including travels, social distancing and closure of non-essential services. The COVID-19 pandemic and current political situation in Myanmar have resulted in an economic slowdown, which has adversely impacted on the business of the Group.

The Group is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

Going concern

The Group incurred losses from continuing operations, net of tax of US$4.0 million (2021: US$5.1 million) the financial year ended 31 March 2022. As at 31 March 2022, the Group is in net current liabilities of US$1 million (2021: US$11.3 million).

Management is of the opinion that the use of the going concern basis in the preparation of these financial statements is appropriate based on the following considerations:

- During the current financial year, on 12 October 2021, shareholder's loans and the associated accrued interests of US$5.05 million were converted into share capital of the Company. On the same day, the Company received cash injection of US$1.2 million via the issuance of new shares to shareholders. The Company received additional shareholders' loans of US$3.2 million during the year. These measures have contributed to the improved liquidity position of the Group from net current liabilities of US$11.3 million in prior year to US$1 million as at 31 March 2022.

- The Group will be able to generate sufficient cash flows from its operating activities to support its operating expenses in the next 12 months, taking into account the improved COVID-19 situation in Myanmar which has led to the reopening of the Yangon International Airport ("YIA") and lifting of the COVID-19 curfew restrictions. These measures are expected to allow for the gradual resumption of economic and tourism activities which is expected to contribute to to the improved business performance of the Group's distributors and associate in Myanmar which will facilitate the recovery and repayments of the amounts due to the Group from these parties and this will further improve the Group's liquidity position moving forward.

1. General (cont'd)

Going concern (cont'd)

- Written undertaking from the two substantial shareholders, who are also directors of the company, to provide continued financial support to the Group and not to demand payment of the loans outstanding from the Group until the Group is in a financial position to do so.

- The Group has managed to negotiate and reached agreements with its trade creditors to extend the deadline for the repayment of amounts due to the trade creditors amounting to US$0.9 million as at 31 March 2022 to be paid after 31 March 2023. Notwitstanding this, the Group is still eligible to settle these amounts due to its trade creditors prior to 31 March 2023 should it opt to do so.

If the Group or the Company is unable to continue in operational existence for the foreseeable future, the Group or the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group or the Company may need to reclassify non-current assets and may have to provide for further liabilities that may arise. No such adjustments have been made to these financial statements.

Statement of compliance with financial reporting standards

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Accounting convention

The financial statements are prepared under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

1. General (cont'd)

Basis of presentation (cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary.

Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as financial assets that is an equity investment measured at fair value through other comprehensive income in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

a) Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

For distinct goods or services in a series such as routine or recurring service contracts where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or services provided.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

a) Revenue recognition (cont'd)

Services

Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Rental income

Rental income is recognised either a straight-line basis or another systematic basis over the term of the lease.

Interest income

Interest income is recognised using the effective interest method.

Franchise income

Franchise income is an income for the franchisor that is obtained once the franchise has been established. It is a fixed percentage amount of the gross sales that the franchisee has made.

Commission and consultancy income

Commission and consultancy income is recognised when the Group's right to the entitlement of the income is established.

b) Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

c) Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (''equity-settled transactions''). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

d) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

e) Foreign currency

Transactions and balances

The functional currency is the United States Dollar ("US$") as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of foreign operations

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

f) Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

f) Income tax (cont'd)

For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and branches except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

g) Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets.

The estimated useful lives are as follows:

Leasehold improvements	–	2 to 10 years
Plant and equipment	–	1 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

g) Plant and equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

h) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Rights-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2A(o).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

h) Leases (cont'd)

As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

i) Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

The useful lives are as follows:

Franchises	–	5 to 10 years
Licenses	–	5 to 10 years

j) Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

k) Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However, the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

k) Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

l) Joint arrangement – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is a party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in joint ventures.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

l) Joint arrangement – joint venture (cont'd)

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss.

Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

m) Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note of this financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

n) Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

o) Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use.

The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use.

When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration.

When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

p) Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): All other financial assets are classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

p) Financial instruments (cont'd)

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

q) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdraft payable on demand that form an integral part of cash management.

r) Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

r) Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

s) Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

t) Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

u) Related parties

A related party is defined as follows:

(a) A person or close member of the person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Group and Company or of a parent of the Company.

(b) An entity is related to the Group and Company if any of the following conditions apply:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2B. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

Expected credit loss for trade and other receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The allowance for expected credit loss is based on the lifetime expected credit loss. The estimate is based on the historical and forward-looking trends of the receivables. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount and key assumptions are disclosed in Note 19 on Trade and Other Receivables.

Impairment assessment of plant and equipment

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption, and the key assumptions applied in the value-in-use calculation is disclosed in Note 14 on Plant and Equipment.

Estimation of useful lives of plant and equipment

Included in plant and equipment of the group are leasehold improvements with a carrying amount of US$4.6 million (2021: US$5.7 million) as at end of the reporting year. Management has depreciated the leasehold improvements on a straight-line basis over their estimated useful lives of 2 to 10 years. The terms of the lease for these premises however are less than the estimated useful lives. Management has assumed the Group will be able to renew the terms of its lease on its expiry and hence the estimated useful lives for leasehold improvements of 2 to 10 years is appropriate. In the event the Group is not able to renew the terms of its lease and the group vacates the relevant premise, the carrying value of leasehold improvements related to the vacated premise would have to be fully impaired.

3. 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.

Key management personnel compensation

Key management personnel include the directors and those persons having authority and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly. The remuneration paid to directors and other members of key management for the financial year is as shown below.

	Group	
	2022	2021
	US$'000	US$'000
Salaries and other short-term employee benefits	**454**	736
Contributions to defined contribution plans	**18**	28
Share-based payments (Note 10)	**–**	213

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2022	2021
	US$'000	US$'000
Directors' fees	**119**	118

Further information about the remuneration of individual directors is provided in the report on corporate governance. The above amounts for key management compensation are for all the directors and other key management personnel.

4. Segment information

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure has no impact on the reported financial performance or financial position of the Group and Company.

The Chief Executive Officer ("CEO") is the Group's chief operating decision maker. For management purposes, the Group's principal operating businesses are organised according to their nature of activities as follows:-

(a) Travel and fashion retail;
(b) Food and beverages; and
(c) Construction services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in Section 2A(t) "Summary of significant accounting policies".

The discontinued operations relate to the disposal and discontinuation of the operating segments pertaining to the provision of telecommunication towers and related service, serviced office business and vehicles rental business (see Note 12).

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators as follows:-

a) Earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA"); and
b) Operating result before interests and income taxes and other unallocated items (called "ORBIT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4. Segment information (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Travel and fashion retail	Construction services	Food and beverages	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2022					
Revenue by segment					
Total revenue by segment	**142**	–	**330**	–	**472**
Less: Consideration payable to customers for sales return	**(522)**	–	–	–	**(522)**
	(380)	–	**330**	–	**(50)**
Recurring EBITDA	**529**	**(34)**	**35**	**(1,572)**	**(1,042)**
Miscellaneous income	**–**	*	**2**	**52**	**54**
Interest income	**–**	**–**	**–**	*	*
Finance costs	**(468)**	**(1)**	**–**	**(91)**	**(560)**
Depreciation, amortisation and impairment	**(1,851)**	**–**	**(235)**	**(213)**	**(2,299)**
ORBIT	**(1,790)**	**(35)**	**(198)**	**(1,825)**	**(3,847)**
Loss before tax from continuing operations	**(1,790)**	**(35)**	**(198)**	**(1,825)**	**(3,847)**
Share of results of joint ventures – net of tax					**(202)**
Loss after tax from continuing operations					**(4,049)**
Loss after tax from discontinued operations					**(76)**
Loss for the year					**(4,125)**

* Amounts less than US$1,000

4. Segment information (cont'd)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Travel and fashion retail	Construction services	Food and beverages	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2021					
Revenue by segment					
Total revenue by segment	119	–	216	–	335
Recurring EBITDA	(615)	(159)	(367)	(588)	(1,729)
Miscellaneous income	58	3	5	22	88
Interest income	*	*	*	*	*
Finance costs	(571)	(3)	(13)	(195)	(782)
Depreciation, amortisation and impairment	(2,031)	–	(563)	(200)	(2,794)
ORBIT	(3,159)	(159)	(938)	(961)	(5,217)
Loss before tax from continuing operations	(3,159)	(159)	(938)	(961)	(5,217)
Income tax income					3
Share of results of joint ventures – net of tax					71
Share of results of associates – net of tax					*
Loss after tax from continuing operations					(5,143)
Loss after tax from discontinued operations					(129)
Loss for the year					(5,272)

* Amounts less than US$1,000

4. Segment information (cont'd)

4C. Assets and reconciliations

	Travel and fashion retail	Construction services	Food and beverages	Discontinued operations	Unallocated*	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2022						
Total Group assets#	**23,805**	**786**	**2,022**	**–**	**2,355**	**28,968**
2021						
Total Group assets#	28,379	1,017	4,252	1,263	34	34,945

* Unallocated items comprise cash and cash equivalents, other receivables and prepayments and other investments. Certain assets are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

For segmental reporting purpose, this includes assets of the telecommunication tower business, serviced office business and vehicles rental business segments from discontinued operations as disclosed in Note 12.

4. Segment information (cont'd)

4D. Liabilities and reconciliations

	Travel and fashion retail	Construction services	Food and beverages	Discontinued operations	Unallocated*	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2022						
Total Group liabilities#	**7,530**	**78**	**1,423**	–	**8,002**	**17,033**
2021						
Total Group liabilities#	5,466	101	2,239	2,321	15,124	25,251

* Unallocated items comprise trade payables and accrued liabilities, other payables, income tax payable, deferred tax expense, long-term borrowings and finance leases. Certain liabilities are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

For segmental reporting purpose, this includes assets and liabilities of the telecommunication tower business, serviced office business and vehicles rental business segments from discontinued operations as disclosed in Note 12.

4. Segment information (cont'd)

4E. Other material items and reconciliations

	Travel and fashion retail	Construction services	Food and beverages	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Total expenditure for non-current assets:					
2022	–	**136**	–	**17**	**153**
2021	206	–	26	–	232

4F. Geographical information

	Revenue		Non-current assets	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Singapore	–	–	**17,997**	18,198
Myanmar	**(50)**	335	**5,283**	7,896
	(50)	335	**23,280**	26,094

4G. Information about major customers

Revenue from major customers during the reporting year are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Top 1 customer	**255**	255
Top 2 customers	**329**	335

5. Revenue

5A. Revenue classified by type of goods or service:

	Group	
	2022	2021
	US$'000	US$'000
At a point in time		
Sale of goods	**472**	335
Less: Consideration payable to customers for sales return	**(522)**	–
	(50)	335

5. Revenue (cont'd)

5B. Revenue classified by duration of contract:

	Group	
	2022	2021
	US$'000	US$'000
Short-term contracts	**(50)**	335

6. Other income and gains and (other losses)

	Group	
	2022	2021
	US$'000	US$'000
Allowance for impairment on trade receivables – net of reversal	**(126)**	(148)
Commission income	–	58
Consultancy income	**52**	19
Franchise income	–	3
Foreign exchange transaction gains	**866**	245
Gain on forgiveness of loans	–	103
Gain on modification of leases	**53**	56
Impairment allowance on plant and equipment	–	(61)
Impairment allowance on intangible assets	–	(181)
Loss on disposal of plant and equipment	–	(7)
Royalty income	–	4
Others	**23**	18
Net	**868**	109
Presented in profit or loss as:		
Other income and gains	**994**	506
Other losses	**(126)**	(397)
Net	**868**	109

7. Administrative expenses

The major components include the following:

	Group	
	2022	2021
	US$'000	US$'000
Depreciation and amortisation expense (Notes 14,14A and 15)	**2,137**	2,628
Employee benefits expense (Note 9)	**760**	724
Audit fees:		
- auditor of the Company	**88**	77
- auditor of other entities of the Group	**24**	41
Legal and professional fee	**416**	148
Rental of premises	**60**	109

8. Finance costs

	Group	
	2022	2021
	US$'000	US$'000
Interest expenses:		
Leases	**6**	23
Bank loans and others	**554**	759
	560	782

9. Employee benefits expense

	Group	
	2022	2021
	US$'000	US$'000
Short term employee benefits expense	**751**	554
Contributions to defined contribution plan	**88**	28
Share-based payments (Note 10)	**–**	213
Total employee benefits expense	**839**	795
The employee benefits expense is charged as follows:		
Cost of sales	**19**	21
Distribution costs	**60**	50
Administrative expenses (Note 7)	**760**	724
	839	795

10. Share-based payments

	Group 2022 US$'000	Group 2021 US$'000
Share-based payments relating to:		
Forfeiture of share options under SMI ESOS (Note 10A)	**(41)**	–
Amortisation of share options under SMI ESOS (Note 10A)	**6**	–
Employee benefits expense (Note 10B)	–	213
Payment of professional fees (Note 23)	**164**	–
	129	213

10A SMI Vantage Limited Employee Share Option Scheme

During the year, no option to take up unissued shares of the company or any corporation in the group was granted except as follows:

The key objective of the SMI Vantage Limited Employee Share Option Scheme ("SMI ESOS" or the "Scheme") is to motivate group's key employees to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the group.

The management of the company has underlined the following primary objectives of the implementation of the SMI ESOS, such as:

(a) To incentivize all participants;
(b) To motivate participants to optimise performance, efficiency and productivity;
(c) To reward key participants whose contributions are important to the long-term prospects and profitability of the group;
(d) To promote a sense of loyalty amongst the participants to further the growth of the group; and
(e) To align the interests of the participants with the interests of the shareholders.

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	Grant date	Exercise period	Number of options at 31 March 2022 '000	Number of options at 31 March 2021 '000
S$0.46	4 October 2017	From 4 October 2019 to 3 October 2022	**283**	437
S$0.29	8 June 2018	From 7 June 2020 to 7 June 2023	**245**	380
S$0.13	13 June 2019	From 13 June 2019 to 12 June 2021	**–**	575
S$0.13	6 July 2021	From 6 July 2022 to 5 July 2025	**461**	–
Balance at end of the year			**989**	1,392

10. Share-based payments (cont'd)

10A SMI Vantage Limited Employee Share Option Scheme (Cont'd)

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the reporting year as well as the movements during the reporting year.

			Weighted average exercise price	
	2022	2021	**2022**	2021
	'000	'000	**cents**	cents
Balance at beginning of the year	**1,392**	1,392	**26**	26
Granted	**461**	–	**13**	–
Forfeited	**(864)**	–	**21**	–
Balance at end of the year	**989**	1,392	**26**	26

The following table summaries information about the share options outstanding at the end of the reporting year.

Exercise price	Number outstanding '000	Number exercisable '000	Weighted average remaining life (Years)
2022			
S$0.46	**283**	**283**	**0.51**
S$0.29	**245**	**245**	**1.19**
S$0.13	**461**	**461**	**4.25**
	989	**989**	**2.42**
2021			
S$0.46	437	843	2.51
S$0.44	–	15	–
S$0.31	–	50	–
S$0.29	380	575	2.19
S$0.13	575	–	0.20
	1,392	1,483	1.15

	Group and Company	
	2022	2021
	US$'000	US$'000
At beginning of the year	**96**	96
Forefeiture of share options	**(41)**	–
Amortisation	**6**	–
At end of the year	**61**	96

The fair value of the options is obtained using binomial model (level 3) at the grant value date of the options. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non-transferability of the options granted.

10. Share-based payments (cont'd)

10A SMI Vantage Limited Employee Share Option Scheme (Cont'd)

The fair value of the options and and the underlying assumptions under the valuation model take into account the following factors:

	2022	2021
Fair value at grant date	**S$0.0456 – S$0.1294**	S$0.0456 – S$0.1041
Historical and expected volatility	**12.5% – 44.4%**	41.8% – 44.4%
Dividend yield	**0.0%**	0.0%
Risk-free interest rate	**0.4% – 2.1%**	1.5% – 2.1%
Forfeiture probability: leaving pre-vesting	**10.0% – 15.0%**	10.0% – 15.0%

Expected volatility was determined taking into consideration the Company's volatility over a three and half-year period prior to each award date. Dividends used are those last known at the date the plan was approved.

10B. SMI Vantage Performance Share Plan

The SMI Vantage Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by directors.

On 13 June 2019, the Company granted 4,500,000 share award under the PSP to Mark Francis Bedingham, a Director of the Company. The share award has a vesting period of 24 months from 1 April 2019. During the financial year, on 8 April 2021, 4,500,000 shares were issued to the Director under the PSP.

On 27 March 2020, the Company granted a further 14,000,000 share award under the PSP to Mark Francis Bedingham. The share award has no vesting period. During the prior financial year, 14,000,000 shares were issued pursuant to the PSP.

	Group and Company	
	2022	2021
	US$'000	US$'000
At beginning of the year	**427**	419
Grant of share options	**–**	213
Issuance of shares	**(427)**	(205)
At end of the year	**–**	427

11. Income tax income

Components of tax income recognised in profit or loss includes:

	Group	
	2022	2021
	US$'000	US$'000
Current tax income	**–**	(3)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2021: 17%) to loss before income tax as a result of the following differences:

	Group	
	2022	2021
	US$'000	US$'000
Loss before tax from continuing operations	**(4,049)**	(5,146)
Loss before tax from discontinued operations	**(74)**	(156)
	(4,123)	(5,302)
Tax credit calculated at tax rate of 17% (2021: 17%)	**(701)**	(901)
Expenses not deductible for tax purposes	**352**	344
Deferred tax assets not recognised	**372**	830
Over provision in prior year	**–**	(3)
Effect of tax rates in foreign jurisdictions	**(23)**	(273)
Total income tax income	**–**	(3)

<u>Unrecognised deferred tax assets:</u>	Tax losses		Unrecognised deferred tax assets	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Unused tax losses available	**32,206**	23,401	**5,658**	4,013

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For the Myanmar companies, the realisation of the future tax benefits from tax loss carry forwards is available for a period of 3 years subject to certain conditions imposed by law.

12. Loss from discontinued operations, net of tax

On 20 October 2016, the Group announced an agreement to divest its entire interests of its telecommunication tower business, Myanmar Infrastructure Group Pte Ltd ("MIG") and its subsidiary, TPR Myanmar Limited ("TPR"). This disposal was however terminated on 30 June 2017. The Group continued to negotiate with other potential buyers to dispose its interest in TPR and on 1 June 2018, the Group entered into a share sale agreement with an independent entity, Tiger Infrastructure Pte. Ltd. ("Tiger"), for the proposed disposal of (i) the entire interest in TPR held by MIG, and (ii) all tower stock and power equipment stock held by TPR for a consideration of US$10.8 million. This proposed disposal was then terminated on 5 April 2019 due to failure to complete on the part of Tiger by 31 March 2019.

On 11 April 2019, MIG entered into a tower transfer agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. (collectively "IGT") for the sale of all TPR's telecommunications towers and tower leases in Myanmar to IGT for an aggregate sale price in cash of approximately US$8 million. Further to the extraordinary general meeting held on 18 September 2019 at which shareholders voted in favour of the disposal, all the conditions precedent for the disposal had been fulfilled or waived and the tower sale was completed.

On 18 September 2020, the Group announced that the applications to the Accounting and Corporate Regulatory Authority ("ACRA") for the proposed striking off of wholly-owned subsidiaries, SMI Mobile Pte. Ltd. and SMI Infrastructure Services Pte. Ltd. have been approved. These subsidiaries were part of the Group's telecommunication tower business that has been discontinued.

On 19 March 2021, the Group announced that the application to ACRA for the proposed striking off of wholly-owned subsidiary, Kinnaya Pte. Ltd. has been approved. Kinnaya operates the Group's serviced office business and this has been discontinued during prior year.

In prior year, management also decided to discontinue the business of car rental and limousine services in wholly-owned subsidiary SMI Auto Services Pte. Ltd..

The entire results from the telecommunication tower business, serviced offices business and vehicles rental business are presented separately in the consolidated statement of profit or loss and other comprehensive income for the financial years ended 31 March 2022 and 31 March 2021 as "Discontinued Operations".

12. Loss from discontinued operations, net of tax (cont'd)

	Group	
	2022	2021
	US$'000	US$'000
Revenue	**22**	299
Cost of sales	**(15)**	(284)
Gross profit	**7**	15
Other income and gains	**11**	585
Distribution costs	**(3)**	(51)
Administrative expenses	**(33)**	(151)
Other losses	**(56)**	(479)
Finance costs	**–**	(75)
Loss before income tax from discontinued operations	**(74)**	(156)
Income tax expense	**(2)**	27
Loss from discontinued operations, net of tax	**(76)**	(129)

The cash flow of the discontinued operations which have been included in the consolidated financial statements, were as follows:

	Group	
	2022	2021
	US$'000	US$'000
Net cash flows generated from operating activities	**30**	1,435
Net cash flows used in investing activities	*****	(1,753)
Net cash flows used in financing activities	**(95)**	(146)
Total net cash flows	**(65)**	(464)

13. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted losses per share of no par value:

	Group	
	2022	2021
	US$'000	US$'000
Numerators: Losses attributable to equity owners of the Company:		
Continuing operations	**(4,049)**	(5,246)
Discontinued operations	**(76)**	(129)
Total basic losses	**(4,125)**	(5,375)
Total diluted losses	**(4,125)**	(5,375)
	No. of shares	
Denominators: Weighted average number of equity shares		
Basic	**417,880,565**	314,535,254
Diluted	**417,880,565**	314,535,254

13. Loss per share (cont'd)

The weighted average number of ordinary shares refers to shares in circulation during the reporting period.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

14. Plant and equipment

Group	Leasehold improvements	Plant and equipment	Construction work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 April 2020	10,589	6,182	37	16,808
Additions	188	44	–	232
Disposals	(657)	(469)	–	(1,126)
Write-off	–	(6)	(37)	(43)
At 31 March 2021	10,120	5,751	–	15,871
Additions	13	140	–	153
Disposals	(170)	(221)	–	(391)
At 31 March 2022	**9,963**	**5,670**	–	**15,633**
Accumulated depreciation and impairment losses				
At 1 April 2020	3,942	2,764	–	6,706
Depreciation for the year	1,049	1,258	–	2,307
Disposals	(611)	(176)	–	(787)
Write-off	–	(3)	–	(3)
Impairment for the year	61	–	–	61
At 31 March 2021	4,441	3,843	–	8,284
Depreciation for the year	1,039	1,043	–	2,082
Disposals	(157)	(157)	–	(314)
Impairment for the year	9	1	–	10
At 31 March 2022	**5,332**	**4,730**	–	**10,062**
Carrying value				
At 1 April 2020	6,647	3,418	37	10,102
At 31 March 2021	5,679	1,908	–	7,587
At 31 March 2022	**4,631**	**940**	–	**5,571**

14. Plant and equipment (cont'd)

Assets leased out under operating leases are as follows:

Group	Leasehold improvements	Plant and equipment	Construction work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 April 2020	9,927	4,762	37	14,726
Additions	162	18	–	180
Disposal	(558)	–	–	(558)
Write-off	–	–	(37)	(37)
At 31 March 2021	9,531	4,780	–	14,311
Disposal	(172)	(234)	–	(406)
At 31 March 2022	**9,359**	**4,546**	–	**13,905**
Accumulated depreciation and impairment losses				
At 1 April 2020	3,660	2,229	–	5,889
Depreciation for the year	966	1,089	–	2,055
Disposal	(558)	–	–	(558)
Impairment for the year	61	–	–	61
At 31 March 2021	4,129	3,318	–	7,447
Depreciation for the year	962	899		1,861
Disposal	(171)	(157)	–	(328)
Impairment for the year	9	1	–	10
At 31 March 2022	**4,929**	**4,061**	–	**8,990**
Carrying value				
At 1 April 2020	6,267	2,533	37	8,837
At 31 March 2021	5,402	1,462	–	6,864
At 31 March 2022	**4,430**	**485**	–	**4,915**

During the year, the plant and equipment leased out under operating leases were subjected to impairment assessment. The impairment assessment was performed using the value in use method by computing the discounted future cash flows expected to be generated from the use of the plant and equipment.

The calculation of the value-in-use is most sensitive to the following key assumptions:

(i) Remaning economic useful lives

Cash flows projections are made over the expected remaining economic useful lives of the plant equipment of 10 years (2021: 11 years).

(ii) Discount rate

The discount rate applied is 11.8% (2021: 9.2%). This reflects the current market assessments of the risks specific to the plant and equipment and time value of money.

Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

14. Plant and equipment (cont'd)

Allocation of the depreciation expense:

	Group 2022	Group 2021
	US$'000	US$'000
Distribution costs	**85**	99
Administrative expenses	**1,986**	2,168
Discontinued operations	**11**	40
Total	**2,082**	2,307

Company	**Leasehold improvements**	**Plant and equipment**	**Total**
	US$'000	US$'000	US$'000
Cost			
At 1 April 2020	336	755	1,091
Additions	28	13	41
Disposals	–	(2)	(2)
At 31 March 2021	364	766	1,130
Additions	13	4	17
At 31 March 2022	**377**	**770**	**1,147**
Accumulated depreciation			
At 1 April 2020	209	307	516
Depreciation for the year	28	109	137
Write-off	–	(1)	(1)
At 31 March 2021	237	415	652
Depreciation for the year	31	104	135
At 31 March 2022	**268**	**519**	**787**
Carrying value			
At 1 April 2020	127	448	575
At 31 March 2021	127	351	478
At 31 March 2022	**109**	**251**	**360**

14. Plant and equipment (cont'd)

14A. Right-of-use assets

Group	Office premise	Shop spaces	Total
	US$'000	US$'000	US$'000
Cost			
At 1 April 2020	349	1,718	2,067
Additions	115	–	115
Remeasurement	–	(649)	(649)
At 31 March 2021	464	1,069	1,533
Disposal	–	(648)	(648)
Write-off	(84)	–	(84)
At 31 March 2022	**380**	**421**	**801**
Accumulated depreciation			
At 1 April 2020	117	426	543
Depreciation for the year	109	298	407
Remeasurement	–	(318)	(318)
At 31 March 2021	226	406	632
Depreciation for the year	87	74	161
Disposal	–	(233)	(233)
Write-off	(10)	–	(10)
At 31 March 2022	**303**	**247**	**550**
Carrying value			
At 1 April 2020	232	1,292	1,524
At 31 March 2021	238	663	901
At 31 March 2022	**77**	**174**	**251**

Allocation of the depreciation expense:

	Group	
	2022	2021
	US$'000	US$'000
Distribution costs	**77**	78
Administrative expenses	**74**	298
Discontinued operations	**10**	31
Total	**161**	407

14. Plant and equipment (cont'd)

14A. Right-of-use assets (cont'd)

Company	Office premise
	US$'000
Cost	
At 1 April 2020 and 31 March 2021	349
Additions	–
Disposals	–
At 31 March 2022	**349**
Accumulated depreciation	
At 1 April 2020	117
Depreciation for the year	78
At 31 March 2021	195
Depreciation for the year	77
At 31 March 2022	**272**
Carrying value	
At 1 April 2020	232
At 31 March 2021	154
At 31 March 2022	**77**

For leases over properties, the terms under the leases require those properties to be in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

15. Intangible assets

Group	Franchise fee	License fee	Total
	US$'000	US$'000	US$'000
Cost			
At 1 April 2020	740	349	1,089
Write off	(15)	(79)	(94)
At 31 March 2021 and 31 March 2022	**725**	**270**	**995**
Accumulated depreciation and impairment losses			
At 1 April 2020	323	274	597
Amortisation for the year	108	54	162
Impairment for the year	181	–	181
Write off	(15)	(72)	(87)
At 31 March 2021	597	256	853
Amortisation for the year	64	13	77
At 31 March 2022	**661**	**269**	**930**
Carrying value			
At 1 April 2020	417	75	492
At 31 March 2021	128	14	142
At 31 March 2022	**64**	**1**	**65**

15. Intangible assets (cont'd)

Allocation of the amortisation expense:

	Group	
	2022	2021
	US$'000	US$'000
Administrative expenses	**77**	162

Franchise fee and License fee

Relates to the exclusive rights granted by franchisor or licensor to develop and operate the business of the brands in Myanmar. The franchise fee and license fee are amortised over 5 to 10 years.

16. Investments in subsidiaries

	Company	
	2022	2021
	US$'000	US$'000
Movements during the year. At cost:		
Balance at beginning of the year	*	181
Additions	–	390
Disposals/write-off	–	(571)
Allowance for impairment	–	–
Balance at end of the year	*	*
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	*	*
Allowance for impairment	*	*
Total at cost	*	*
Movements in allowance for impairment:		
Balance at beginning of the year	–	(22,141)
Impairment loss charged to profit or loss	–	–
Impairment allowance written off	–	22,141
Balance at end of the year	–	–

* Amount less than US$1,000

16. Investments in subsidiaries (cont'd)

The subsidiaries held by the Company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2022	2021	**2022**	2021
	US$'000	US$'000	**%**	%
Held by the company:				
SMI CS Pte. Ltd. (b) Singapore Distribution of heavy equipment and spare parts	**(a)**	(a)	**100**	100
SMI F&B Pte. Ltd. (b) Singapore Distribution of food & beverage items	**(a)**	(a)	**100**	100
SMI Auto Services Pte. Ltd. (b) Singapore Provision of car rental & limousine services	**(a)**	(a)	**100**	100
SMI Retail Pte. Ltd. (b) Singapore Distribution of duty free & retail products	**(a)**	(a)	**100**	100
YGN Kinnaya Co Ltd (c) (d) Myanmar Provider of serviced offices	**(a)**	(a)	**99**	99
Held through SMI F&B Pte Ltd:				
SMI F&B MM Pte Ltd (b) Singapore Distribution of food & beverage items	**434**	434	**100**	100
SMI Food Concepts Ltd (c) Myanmar Consultancy for the food and beverage industry	**50**	50	**100**	100
Held through SMI F&B MM Pte Ltd:				
SMI FB Ltd (e) Myanmar Consultancy and advertising services for the food and beverage industry	**50**	50	**100**	100
Held through SMI Retail Pte Ltd:				
SMIRS Myanmar Ltd (c) Myanmar Management consultancy services	**2,850**	2,850	**100**	100

16. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2022	2021	**2022**	2021
	US$'000	US$'000	**%**	%
Held through SMI Auto Services Pte Ltd:				
SMIRental Services MM Ltd [c] Myanmar Equipment rental, vehicle repair and fleet management services	**50**	50	**100**	100

[a] Cost of investment is less than US$1,000.
[b] Audited by PKF-CAP LLP.
[c] Audited by Thida & Partners Ltd., PKF International member firm in Myanmar.
[d] Shares in YGN Kinnaya Co Ltd, previously held by Kinnaya Pte Ltd, were transferred to the Company in prior year following the deregistration of Kinnaya Pte Ltd.
[e] Not audited as it is immaterial. The management accounts were used for consolidation.

There are no subsidiaries that have non-controlling interests that are considered material to the Group.

17. Investments in associates

	Group	
	2022	2021
	US$'000	US$'000
Movement in carrying value:		
Balance at beginning of the year	**–**	–
Additions	*****	*
Share of loss for the year	*****	*
Balance at end of the year	**–**	–
Carrying value comprising:		
Unquoted equity shares at cost	*****	*
Share of post acquisition losses	**(*)**	(*)
	–	–

* *Amount less than USD$1,000*

Share of losses of associates exceeding the amount of the investment are not recognised as losses in the Group's profit or loss. The Group's share of losses of the associates not recognised was US$0.5 million (2021: US$0.3 million).

17. Investments in associates (cont'd)

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The Group has not incurred legal or constructive obligations to account for these losses on behalf of these associates

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations and principal activities	**Percentage of equity held by the group**	
	2022	2021
	%	%
Held by SMI Retail Pte Ltd:		
Star Retail Enterprise Limited [(a)]	**35**	35
Myanmar		
Distribution of retail products		
Artisan Concepts Limited [(a)]	**35**	35
Myanmar		
Distribution of retail products		

[(a)] Not audited. The contribution to the Group is immaterial. The management accounts were used for consolidation.

The summarised financial information of the non-material associates and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the Group when applying the equity method of accounting.

	Group	
	2022	2021
	US$'000	US$'000
Aggregate for all non-material associates:		
Loss for the year representing total comprehensive loss for the year	**401**	836
Net liabilities of associates	**1,318**	921

18. Investments in joint ventures

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Movement in carrying value:				
Balance at beginning of the year	**799**	478	**650**	650
Additions	–	250	**250**	250
Share of (loss)/profit for the year	**(202)**	71	**–**	–
Balance at end of the year	**597**	799	**900**	900
Carrying value comprising:				
Unquoted equity shares at cost	**1,050**	1,050	**900**	900
Share of post acquisition losses	**(453)**	(251)	**–**	–
	597	799	**900**	900

The listing of and information on the joint ventures is given below:

Name of joint ventures, country of incorporation, place of operations and principal activities	Percentage of equity held by the group	
	2022	2021
	%	%
Held by the company:		
SMI-Senko Logistics Pte Ltd [(a)] Singapore Value added logistics providers and general warehousing	**50**	50
Held by SMI Retail Pte. Ltd.:		
DKSHSMI Pte Ltd [(a)] Singapore Wholesale of adults' clothing Provision of warehousing services	**50**	50
Held by DKSHSMI Pte Ltd:		
DKSHSMI MM Limited [(b)] Myanmar Retailer of adults' clothing	**50**	50
MAR Retail MM Limited [(b)] Myanmar Retailer of adults' clothing	**35**	35

(a) Audited by PKF-CAP LLP.
(b) Audited by PKF Myanmar.

18. Investments in joint ventures (cont'd)

The summarised financial information of the material group's joint ventures and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the joint venture are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
Joint venture with Senko Co., Ltd. (Japan):	**2022**	2021
	US$'000	US$'000
Summarised statement of comperehensive income:		
Revenue	**634**	799
Cost of sales	**(549)**	(596)
Gross profit	**85**	203
Other income	**13**	6
Distribution expenses	**(41)**	(2)
Administrative expenses	**(55)**	(64)
Other losses	**(32)**	(11)
(Loss)/Profit before tax	**(30)**	132
Income tax expense	**(22)**	–
(Loss)/Profit for the year representing total comprehensive (loss)/income for the year	**(52)**	132
Summarised statement of financial position:		
Current assets	**617**	577
Includes:		
- Trade and other receivables	**401**	358
- Cash and cash equivalents	**212**	210
Non-current assets – plant and equipment	**1,018**	1,151
Current liabilities	**(440)**	(481)
Includes:		
- Trade and other payables	**439**	471
Reconciliation:		
Net assets of the joint venture	**1,195**	1,247
Proportion of the reporting entity's interest in the joint venture	**50%**	50%
Carrying amount of the interest in the joint venture	**597**	623

18. Investments in joint ventures (cont'd)

Joint venture with DKSH Holding (S) Pte. Ltd. (Singapore):	Group **2022**	2021
	US$'000	US$'000
Summarised statement of comperehensive income:		
Revenue	**89**	256
Cost of sales	**(146)**	(100)
Gross (loss)/profit	**(57)**	156
Other income	**46**	1
Distribution expenses	**(26)**	(123)
Administrative expenses	**(15)**	(18)
Other losses	**(818)**	-
(Loss)/Profit before tax	**(870)**	16
Income tax expense	–	(6)
(Loss)/Profit for the year representing total comprehensive (loss)/income for the year	**(870)**	10
Summarised statement of financial position:		
Current assets	**55**	1,032
Includes:		
Cash and cash equivalents	**47**	26
Non-current assets – plant and equipment	**14**	300
Current liabilities	**(387)**	(980)
Includes:		
- Trade and other payables	**(385)**	(578)
Non-current liability – trade and other payables	**(200)**	–
Reconciliation:		
Net assets of the joint venture	**(518)**	352
Proporation of the reporting entity's interest in the joint venture	**50%**	50%
Carrying amount of the interest in the joint venture	–*	176

*Share of losses of the joint venture with DKSH Holding (S) Pte Ltd exceeding the amount of the investment are not recognised as losses in the Group's profit or loss. The Group's share of losses of the joint venture not recognised was US$0.3 million (2021: US$Nil).

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The Group has not incurred legal or constructive obligations to account for these losses on behalf of the joint venture.

The Group's joint venture with DKSH Holding (S) Pte Ltd which was established for the distribution of products under the "Levi's" brand name ceased on 31 March 2022 following the termination of DKSH Holding (S) Pte Ltd's commercial arrangement with "Levi's".

19. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Non-current:				
Trade receivables:				
Third parties	**21,177**	21,028	–	–
Less: Allowance for impairment	**(4,420)**	(4,420)	–	–
Net trade receivables – subtotal	**16,757**	16,608	–	–
Other receivables:				
Subsidiary	–	–	**23,148**	20,349
Less: Allowance for impairment	–	–	**(5,086)**	(5,086)
Net other receivables – subtotal	–	–	**18,062**	15,263
Sub-total, trade and other receivables, non-current	**16,757**	16,608	**18,062**	15,263
Current:				
Trade receivables:				
Third parties	**1,990**	6,239	**449**	7
Less: Allowance for impairment	**(1,565)**	(1,565)	–	–
Associates	**2,272**	2,659	–	–
Net trade receivables – subtotal	**2,697**	7,333	**449**	7
Other receivables:				
Third parties	**54**	–	–	–
Subsidiaries	–	–	**20,041**	20,971
Joint ventures	**256**	359	**55**	158
Associates	**13**	126	**14**	103
Deferred consideration from disposal of subsidiaries	**331**	433	**331**	433
GST/commercial tax receivable	**35**	263	**11**	6
Other tax receivable	**129**	–	–	–
Others	**11**	–	–	–
Less: Allowance for impairment	**(527)**	(401)	**(14,216)**	(14,290)
Net other receivables – subtotal	**302**	780	**6,236**	7,381
Sub-total, trade and other receivables, current	**2,999**	8,113	**6,685**	7,388
Total trade and other receivables	**19,756**	24,721	**24,747**	22,651

The fair value of the Group's non-current trade receivables are computed based on cash flows discounted at market borrowing rates of 2.3% (2021: 2.3%). The fair values are within Level 2 of the fair value hierarchy. The fair value of the Group's non-current trade and other receivables is US$16.2 million (2021: US$16.1 million).

The trade and other receivables due from subsidiaries, joint ventures and associates are unsecured, interest free and repayable on demand. As at reporting date, the fair value of the non-current portion of the other receivables of the Company due from its subsidiaries cannot be estimated reliably. These are classified as non-current as the Company has provided a written undertaking to its subsidiaries that it will not demand for repayments for a minimum of the next 12 months after the reporting date or until the operations of its subsidiaries have stabilised post-COVID 19 pandemic. As a result, the timing of any future cash inflows cannot be estimated reliably.

19. Trade and other receivables (Cont'd)

Movements in allowance for impairment on trade receivables

	Group	
	2022	2021
	US$'000	US$'000
At beginning of the year	**5,985**	6,422
Charge/(Reversal) for allowance for impairment to profit or loss included in:		
– Other losses (Note 6)	**–**	148
– Discontinued operations (Note 12)	**–**	(585)
At end of the year	**5,985**	5,985

The trade receivables are subject to the expected credit loss allowance model. The allowance for expected credit loss is based on the lifetime expected credit loss. The Group has worked with local distributors and associate to derive the cash flow projections of local distributors and associate to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the distributors and associate, assisted by the group's management, based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance upon business resumption against latest market expectations, and using suitable discount rates for the projections. Key assumptions include the following: number of years of cash flow projections: 5 years (2021: 5 years); long term growth rate: 5.8% (2021: 5.8%) and discount rate applied: 14.4% (2021: 14.9%).

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 90 days (2021: 90 days).

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
91 to 150 days	**–**	30	**–**	7
151 to 365 days	**449**	1,943	**449**	–
Over 365 days	**19,005**	23,080	**–**	–
Total	**19,454**	25,053	**449**	7

19. Trade and other receivables (Cont'd)

Concentration of gross trade receivable from the top 3 customers as at 31 March 2022 and 31 March 2021 are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Top 1 customer	**19,600**	21,987
Top 2 customers	**21,719**	24,626
Top 3 customers	**22,924**	27,042

Movements in above allowance on other receivables:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
At beginning of the year	**401**	401	**19,376**	17,993
Charge/(Reversal) for other receivables to profit or loss included in other losses (Note 6)	**126**	–	**(74)**	1,383
At end of the year	**527**	401	**19,302**	19,376

The other receivables at amortised cost shown above are subject to the expected credit loss model. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

20. Other non-financial assets

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Deposits	**121**	411	**23**	23
Prepayments	**132**	42	**22**	17
Recoverables	**88**	70	**500**	1,143
	341	523	**545**	1,183
Presented as:				
Other assets, current	**302**	466	**522**	1,160
Other assets, non-current	**39**	57	**23**	23
	341	523	**545**	1,183

21. Inventories

	Group 2022	Group 2021
	US$'000	US$'000
Finished goods	**28**	25
Raw materials and consumables	**–**	49
	28	74
Included in cost of sales:		
Finished goods	**166**	290

22. Cash and cash equivalents

	Group 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	**US$'000**	US$'000
Available for use	**2,359**	198	**335**	85

The rate of interest for the cash on interest earning account of US$2.4 million (2021: US$0.2 million) for the Group is approximately 0.05% (2021: 0.05%) per annum.

22A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group 2022	Group 2021
	US$'000	US$'000
As stated above	**2,359**	198
Bank overdraft (Note 26)	**–**	(584)
Cash and cash equivalents for statement of cash flows purposes at end of year	**2,359**	(386)

22B. Reconciliation of liabilities arising from financing activities:

	2021	Cash flows	Non-cash changes		2022
	US$'000	US$'000	US$'000		**US$'000**
Group					
Shareholders' loans (Note 26)	7,090	3,200	(4,700)	[a]	**5,590**
Borrowings (Note 26)	5,626	(40)	(590)	[b]	**4,996**
Lease liabilities (Note 25)	2,539	(385)	(324)	[c]	**1,830**
Total liabilities from financing activities	15,255	2,775	(5,614)		**12,416**

[a] Conversion of shareholders' loans into the Company's ordinary shares.
[b] Movements in exchange rates.
[c] Termination of lease contracts.

22B. Reconciliation of liabilities arising from financing activities (cont'd):

	2020	Cash flows	Non-cash changes		2021
	US$'000	US$'000	US$'000		US$'000
Group					
Shareholders loan (Note 26)	6,700	390	–		7,090
Borrowings (Note 26)	1,536	4	4,086	(d)	5,626
Lease liabilities (Note 25)	3,384	(92)	(753)	(e)	2,539
Total liabilities from financing activities	11,620	302	3,333		15,255

(d) Reclassification from bank overdraft to bank loan.
(e) Termination of lease contracts.

23. Share capital

	Group and Company			
	Number of shares issued	**Share Capital**	**Number of shares issued**	**Share Capital**
	2022	**2022 US$'000**	2021	2021 US$'000
Ordinary shares of no par value:				
At beginning of year	**316,996,792**	**60,067**	302,996,792	59,862
Issue of shares	**57,133,333**	**1,614**	14,000,000	205
Conversion of shareholder's loans and accrued interests	**132,910,062**	**5,050**	–	–
Share based payments (Note 10)	**6,495,000**	**164**	–	–
At end of year	**513,535,187**	**66,895**	316,996,792	60,067

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

On 13 June 2019, the Company granted 4,500,000 share awards under the 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 (see Note 10B).

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. On the same day, 5,245,000 shares were issued as consideration for the settlement of the professional expenses directly attributable to the subscription amounting to US$0.1 million.

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. On the same day, 1,250,000 share were issued as consideration for the settlement of the professional expenses directly attributable to the subscription amounting to US$0.06 million.

23. Share capital (cont'd)

Capital management:

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year.

The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital, reserves and accumulated losses).

In order to maintain its listing on the SGX-ST, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2022	2021
	US$'000	US$'000
Net debt:		
All current and non-current borrowings including lease liabilities	**12,416**	15,839
Less cash and cash equivalents	**(2,359)**	(198)
Net debt	**10,057**	15,641
Adjusted capital:		
Total equity	**11,935**	9,694
Debt-to-adjusted capital ratio	**84%**	161%

24. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
<u>Trade payables</u>				
Third parties	**2,339**	6,669	**316**	1,553
Trade payables – subtotal	**2,339**	6,669	**316**	1,553
<u>Other payables</u>				
Joint ventures	**72**	53	**–**	–
Associates	**102**	131	**15**	–
Accrued liabilities	**1,115**	1,449	**866**	1,317
Deposits from customers	**5**	18	**–**	–
Deferred income	**–**	53	**–**	–
Other payables	**217**	264	**215**	246
Other payables – subtotal	**1,511**	1,968	**1,096**	1,563
Total trade and other payables	**3,850**	8,637	**1,412**	3,116

The other payables due to joint ventures and associates are unsecured, interest free and repayable on demand.

25. Lease liabilities

As lessee

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Lease liabilities, current	**596**	1,872	**91**	82
Lease liabilities, non-current	**1,234**	667	**–**	89
	1,830	2,539	**91**	171

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Office premise	**Shop spaces**
Number of right-of-use assets	**1**	**5**
Remaining term – range	**3 years**	**2 to 4 years**
Remaining term – average	**3 years**	**3.5 years**

The leases are for office space and restaurants.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. The leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

25. Lease liabilities (cont'd)

As lessee (cont'd)

A summary of the maturity analysis of lease liabilities is disclosed in Note 28E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 14A.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

Group and Company	2022	2021
	US$'000	US$'000
Expense relating to short-term leases included in cost of sales	4	78
Expense relating to short-term leases included in administrative expenses	60	109

As lessor

The Group has leased out its plant and equipment under operating leases as disclosed in Note 14. The leases are classified as operating leases because the risk and rewards incidental to the ownership of the assets are not substantially transferred. The plant and equipment are leased out to the Group's major distributors ("lessees'") to be utilised in the retail and food & beverage outlets operated by the distributors.

During the current and prior years, there was no rental income generated from the plant and equipment under operating leases due to the temporary cessation of the operations of the lessees's operations due to the COVID-19 pandemic.

The table below discloses the undiscounted lease payments to be received by the Group for its operating leases after the reporting date as follows:

	Group	
	2022	2021
	US$'000	US$'000
Less than one year	402	–
One to five years	4,144	3,666
More than five years	5,139	6,019
	9,685	9,685

26. Other financial liabilities

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Non-current:				
Financial instruments with floating interest rates:				
Bank loans (secured) (Note 26A)	**3,496**	4,086	–	–
Subtotal	**3,496**	4,086	–	–
Financial instruments with fixed interest rates:				
Shareholders' loan (Note 26B)	**5,590**	390	**5,590**	390
Subtotal	**5,590**	390	**5,590**	390
Total, non-current	**9,086**	4,476	**5,590**	390
Current:				
Financial instruments with floating interest rates:				
Bank loans (secured) (Note 26A)	**1,500**	1,540	–	–
Bank overdrafts (secured) (Note 26C)	–	584	–	–
Subtotal	**1,500**	2,124	–	–
Financial instruments with fixed interest rates:				
Shareholders' loan (Note 26B)	–	6,700	–	6,700
Subtotal	–	6,700	–	6,700
Total, current	**1,500**	8,824	–	6,700
Total	**10,586**	13,300	**5,590**	7,090

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
The non-current portion is repayable as follows:				
Due within 2 to 5 years	**9,086**	4,476	**5,590**	390

The range of floating rate interest rates paid were as follows:

Bank loans (secured)	
2022	**5.43% to 6.59%**
2021	5.43% to 6.59%
Bank overdrafts (secured)	
2022	**–**
2021	10.00%

The ranges of fixed rate interest rates paid were as follows:

Shareholders' loan	
2022	**2.34%**
2021	2.34%

26. Other financial liabilities (cont'd)

26A. Bank loans (secured)

The bank loans amounting to US$ 5.0 million (2021: US$5.6 million) are subject to floating interest rates. The fair value (Level 2) is a reasonable approximation of the carrying amounts as they are floating rate instruments that are frequently re-priced to market interest rates.In prior year, the Group restructured the facilities to convert part of the bank overdrafts into bank loans.

The bank loans are covered by the following:

(a) Personal guarantees from a director of the Company; and
(b) Floating charge over a subsidiary's bank account.

The bank loans are initially repayable over 24 monthly instalments, commencing from their drawdown on various dates.

26B. Shareholders' loans

The loan amounts are due to shareholders, who are also directors of the Company, are denominated in US Dollars and are unsecured. Interest is accrued on indebtedness at the rate of 2.34% per annum (2021: 2.34% per annum).

During the year, US$5.05 million of the shareholders' loans and associated accrued interests were converted into share capital of the Company.

26C. Bank overdrafts (secured)

In prior year, there were bank overdrafts of US$0.6 million. Part of the bank overdrafts outstanding as at 31 March 2020 was converted to bank loans in prior year. (Note 26A).

The bank overdrafts drawdowns previously by a subsidiary were to finance the cost of the fixture and fittings that were leased to a Myanmar retail distributor.

The bank overdrafts were covered by the personal guarantee from a director of the Company.

27. Contingent liabilities

Corporate guarantees

In prior year, the Group entered into an arrangement to provide corporate guarantee amounting to US$1.3 million to a financial institution to secure a loan to a Myanmar retail distributor. During the year, the Group has re-assessed and had discontinued the provision of the corporate guarantee in favour of the retail distributor.

The Company has provided guarantees to its subsidiaries' franchisors in relation to the payments and performance obligations of the subsidiaries.

No liability was expected to arise as at 31 March 2022 and 31 March 2021.

28. Financial instruments: information on financial risks

28A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Financial assets:				
Financial assets at amortised cost	**22,115**	24,919	**25,082**	22,736
Financial liabilities:				
Financial liabilities at amortised cost	**16,266**	24,476	**7,093**	10,377

Further quantitative disclosures are included throughout these financial statements.

28. Financial instruments: information on financial risks (cont'd)

28B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the objectives, policies and processes for managing the risk and the methods used to measure the risk during the year.

28C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

28D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. The Group worked with local distributors to derive the cash flow projections of local distributors to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the debtors (assisted by the Group's management) based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using suitable discount rates for the projections. These estimates require a degree of estimation and judgement. The allowance for expected credit loss is based on the lifetime expected credit loss.

28. Financial instruments: information on financial risks (cont'd)

28D. Credit risk on financial assets (cont'd)

Note 22 disclosed the maturity of cash and cash equivalents balances. Cash and cash equivalents are held with reputable financial instiutions and there was no identified impairment loss.

28E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables varies. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analysis the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	**Less than 1 year**	**1 – 5 years**	**Total**
	US$'000	US$'000	US$'000
Non-derivative financial liabilities:			
2022			
Gross borrowings commitments	**4,030**	**8,125**	**12,155**
Gross lease liabilities	**596**	**1,234**	**1,830**
Trade and other payables	**3,850**	**–**	**3,850**
At end of the year	**8,476**	**9,359**	**17,835**
2021			
Gross borrowings commitments	10,954	3,352	14,306
Gross lease liabilities	2,008	684	2,692
Trade and other payables	8,637	–	8,637
At end of the year	21,599	4,036	25,635

Company	**Less than 1 year**	**1 – 5 years**	**Total**
	US$'000	US$'000	US$'000
Non-derivative financial liabilities:			
2022			
Gross borrowings commitments	**–**	**5,590**	**5,590**
Gross lease liabilities	**91**	**–**	**91**
Trade and other payables	**1,412**	**–**	**1,412**
At end of the year	**1,503**	**5,590**	**7,093**
2021			
Gross borrowings commitments	390	6,700	7,090
Gross lease liabilities	91	88	179
Trade and other payables	3,116	–	3,116
At end of the year	3,597	6,788	10,385

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

28. Financial instruments: information on financial risks (cont'd)

28E. Liquidity risk – financial liabilities maturity analysis (cont'd)

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the year, no claims on the financial guarantees are expected to be payable.

In prior year, the Group entered into an arrangement to provide corporate guarantee amounting to US$1.3 million to a financial institution to secure a loan to a Myanmar retail distributor. During the year, the Group has re-assessed and had discontinued the provision of the corporate guarantee in favour of the retail distributor.

The following table shows the maturity analysis of the contingent liabilities from financial guarantees in prior year:

Group	**Less than 1 year**
	US$'000
2021:	
Financial guarantee contracts - corporate guarantee in favour of a Myanmar retail distributor [(a)]	1,286

28F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2022	2021
	US$'000	US$'000
Financial assets with interest:		
Fixed rate	**21**	7
Floating rate	**2,338**	191
At end of year	**2,359**	198
Financial liabilities with interest:		
Fixed rate	**5,590**	12,766
Floating rate	**4,996**	1,541
At end of year	**10,586**	14,307

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes. Sensitivity analysis for interest rate risk is not disclosed as the effect on the profit or loss is considered not significant with all other variables including tax rate being held constant.

28. Financial instruments: information on financial risks (cont'd)

28G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency:

	Singapore Dollars	Myanmar Kyats	Total
	US$'000	US$'000	US$'000
2022:			
Financial assets:			
Cash and cash equivalents	**44**	**50**	**94**
Trade and other receivables	**14**	–	**14**
Total financial assets	**58**	**50**	**108**
Financial liabilities:			
Borrowings	–	**3,496**	**3,496**
Trade and other payables	**989**	**38**	**1,027**
Total financial liabilities	**989**	**3,534**	**4,523**
Net financial liabilities at end of year	**(931)**	**(3,484)**	**(4,415)**

	Singapore Dollars	Myanmar Kyats	Total
	US$'000	US$'000	US$'000
2021:			
Financial assets:			
Cash and cash equivalents	23	7	30
Loans and receivables	7	–	7
Total financial assets	30	7	37
Financial liabilities:			
Borrowings	–	4,670	4,670
Trade and other payables	929	321	1,250
Total financial liabilities	929	4,991	5,920
Net financial liabilities at end of year	(899)	(4,984)	(5,883)

28. Financial instruments: information on financial risks (cont'd)

28G. Foreign currency risk (cont'd)

Sensitivity analysis:

	Group	
	2022	2021
	US$'000	US$'000
A 10% strengthening in the exchange rate of the functional currency United States Dollar against Singapore Dollar (SGD) with all other variables held constant would have an adverse effect on pre-tax loss of:	**93**	90
A 10% strengthening in the exchange rate of the functional currency United States Dollar against Myanmar Kyats (MMK) with all other variables held constant would have a favourable effect on pre-tax loss of:	**348**	498

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant material non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

29. Events after the end of the reporting year

(a) On 17 April 2022, the Group resumed its Travel & Retail business at the Yangon International Airport ("YIA") following the reopening of YIA and the resumption of scheduled flights.

(b) On 22 April 2022, the Company completed the allotment of 7,834,757 new shares to The9 in connection with the Purchase of Cryptocurrency Mining Machines ("The9 Consideration Shares").

(c) On 22 April 2022, the Company completed the allotment of 727,272 new shares to a former director and one of its directors pursuant to the Proposed Capitalisation of Directors' Fees (collectively, "Conversion Shares").

(d) On 26 April 2022, a shareholder who is also a director of the Company extended loan totalling US$0.3 million to the Company

(e) On 29 April 2022 and 15 May 2022, the Group commenced its cryptocurrency mining operations in Malacca, Malaysia and Bandar Seri Begawan, Brunei respectively.

(f) On 30 June 2022, the Group renewed its loan facility totalling US$1.5 million as disclosed in Note 26A for another year until 30 June 2023.

29. Events after the end of the reporting year (cont'd)

(g) On 30 June 2022, the Company entered into subscription agreements for the allotment and issuance of an aggregrate of 18,698,062 new fully-paid ordinary shares of the Company at the issue price of S$0.0361 per share for an aggregrate consideration of S$675,000.

30. Comparative figures

In the previous financial year, depreciation charges for the Group's plant and equipment amounting to US$2.03 million were classified under costs of sales.

During the current financial year, management has reassessed and reclassified the depreciation charges for the Group's plant and equipment from costs of sales to administrative expenses in view of the non-trade nature of the depreciation charges taking into consideration that there were no revenue generated from the use of the plant and equipment due to the impact of the COVID-19 pandemic on the Group's operations in Myanmar.

The impact of the reclassification adjustment to the comparative figures is summarised in the table below:

	2021		
	As previously reported	Reclassification adjustment	As adjusted
Group	US$'000	US$'000	US$'000
Statement of comprehensive income			
Costs of sales	(2,418)	2,031	(387)
Administrative expenses	(1,723)	(2,031)	(3,754)

There is no impact on the net results, net assets and the overall cash flow movements of the Group.

31. Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the Group's financial statements.

32. Standards issued but not effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 16: *Covid 19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment — Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts—Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1*: Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

STATISTICS OF SHAREHOLDINGS

As At 17 June 2022

Issued and fully paid share capital	:	S$98,771,743.83
Total number of shares in issue	:	522,097,216
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

There are no treasury shares held in the issued share capital of the Company.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately **24.50%** of the issued ordinary shares of the Company were held in the hands of the public as at 17 June 2022 and therefore Rule 723 of the Listing Manual is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1	0.09	1	0.00
100 – 1,000	64	5.55	50,000	0.01
1,001 – 10,000	364	31.60	2,564,200	0.49
10,001 – 1,000,000	704	61.11	64,087,925	12.28
1,000,001 and above	19	1.65	455,395,090	87.22
TOTAL	1,152	100.00	522,097,216	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	177,285,283	33.96
2	MAYBANK SECURITIES PTE. LTD.	120,187,214	23.02
3	OCBC SECURITIES PRIVATE LTD	54,795,390	10.50
4	RAFFLES NOMINEES (PTE) LIMITED	54,172,203	10.38
5	PHILLIP SECURITIES PTE LTD	8,717,400	1.67
6	DBS NOMINEES PTE LTD	7,445,400	1.43
7	BLACKRUN CORPORATE PTE LTD	5,245,000	1.00
8	HO CHEE TONG	5,000,000	0.96
9	IFAST FINANCIAL PTE LTD	3,870,500	0.74
10	ONG TOON WAH	3,100,000	0.59
11	CHONG YEAN FONG	3,000,000	0.57
12	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,484,400	0.48
13	LIU NAN	2,208,500	0.42
14	QUAH SUAT LAY NANCY (KE XUELI NANCY)	1,729,000	0.33
15	YEO SIONG CHAN	1,361,100	0.26
16	UOB KAY HIAN PTE LTD	1,270,300	0.24
17	PRIMEPARTNERS CORPORATE FINANCE PTE LTD	1,250,000	0.24
18	LEOW HUN SIN	1,150,000	0.22
19	LUO JINPING	1,123,400	0.22
20	CHEONG CHEE LEONG	987,900	0.19
		456,382,990	87.42

STATISTICS OF SHAREHOLDINGS

As At 17 June 2022

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%[1]
Ho Kwok Wai[2]	–	–	164,749,871	31.56
Mark Francis Bedingham[3]	–	–	175,918,383	33.69
Jet Palace Holdings Limited[2]	–	–	33,400,000	6.40
Taipan Grand Investments Limited[2]	–	–	77,933,000	14.93
The9 Singapore Pte. Ltd.[4]	52,168,090	9.99	–	–
The9 Limited[4]	–	–	52,168,090	9.99

Notes:

(1) Based on the issued shares of the Company comprising 522,097,216 ordinary shares as at 17 June 2022.

(2) Mr Ho Kwok Wai's aggregate deemed interest comprises 33,400,000 shares held by Jet Palace Holdings Limited, 77,933,000 shares held by Taipan Grand Investments Limited and 53,416,871 shares held by EFG Bank AG.

(3) Mr Mark Francis Bedingham is deemed to be interested in 175,918,383 shares held by Bank Julius Baer.

(4) The9 Singapore Pte. Ltd. is a wholly-owned subsidiary of The9 Limited. As such, The9 Limited is deemed to be interested in 52,168,090 shares held by The9 Singapore Pte. Ltd.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SMI VANTAGE LIMITED (the "Company") will be held by way of electronic means on Thursday, 28 July 2022 at 2.00 p.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2022 together with the Directors' Statement and the Independent Auditors' Report thereon. (Resolution 1)

2. To approve the payment of Directors' fees of S$160,000 for the financial year ended 31 March 2022. (2021: S$160,000) (Resolution 2)

3. To re-elect Mr Wee Sung Leng, a Director who is retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election. (Resolution 3)
   (see explanatory note 1)

4. To re-elect Mr Sam Chong Keen, a Director who is retiring under Article 97 of the Company's Constitution and who being eligible, will offer himself for re-election. (Resolution 4)
   (see explanatory note 1)

5. That, subject to and contingent upon the passing of Resolution 6 and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"): (Resolution 5)

   (a) the continued appointment of Mr Wee Sung Leng as an independent director of the Company be and is hereby approved; and

   (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Wee Sung Leng as a director of the Company or (ii) the conclusion of the third annual general meeting of the Company following the passing of this Resolution.

   (see explanatory note 2)

6. That, subject to and contingent upon the passing of Resolution 5 and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST: (Resolution 6)

   (a) the continued appointment of Mr Wee Sung Leng as an independent director of the Company be and is hereby approved; and

   (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Wee Sung Leng as a director of the Company or (ii) the conclusion of the third annual general meeting of the Company following the passing of this Resolution.

   (see explanatory note 2)

7. To note the retirement of Mr Fong Sing Chak Jack, a Director who is retiring under Article 91 of the Company's Constitution and has decided not to seek re-election.

8. To re-appoint Messrs PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modifications:

9. **Authority to Allot and Issue Shares** (Resolution 8)

"(A) That, pursuant to Section 161 of the Companies Act 1967 and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time to such persons and upon such terms and for such purposes as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority was in force,

provided always that

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) shall be based on the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(see explanatory note 3)

10. **Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan** (Resolution 9)

"That, pursuant to Section 161 of the Companies Act 1967, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the awards under SMI Performance Share Plan ("**SMI PSP**"), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI PSP, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time."

(see explanatory note 4)

11. **Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme** (Resolution 10)

"That, pursuant to Section 161 of the Companies Act 1967, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the options under SMI Employee Share Option Scheme ("**SMI ESOS**"), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI ESOS, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time."

(see explanatory note 5)

12. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Liew Chiew Yee
Company Secretaries
Singapore

13 July 2022

EXPLANATORY NOTES:

1. Mr Wee Sung Leng will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee.

   Mr Sam Chong Keen will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, a member of the Nominating and Remuneration Committees.

   The Directors who have offered themselves for re-election have each confirmed that, they do not have any relationships (including immediate family relationships) with other Directors, the Company, its related corporations or its substantial shareholders. Please refer to the "Disclosure of information on Directors seeking re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

2. Under Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, a director will not be independent if he has been a director for an aggregate period of more than nine years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the directors and the chief executive officer of the company and their associates (as defined in the Listing Manual of the SGX-ST). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the director or (ii) the conclusion of the third annual general meeting of the company following the passing of the resolutions.

   Resolution 5 and Resolution 6 are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual as Mr Wee Sung Leng, an Independent Director, would have served as a Director of the Company for more than nine years from the date of his first appointment. Rule 210(5)(d)(iii) requires Resolution 5 to be voted by all shareholders of the Company and Resolution 6 by shareholders excluding the Directors and the Chief Executive Officer of the Company and their respective associates. Resolution 5 and Resolution 6, if both passed, will allow Mr Wee Sung Leng to continue in office as an Independent Director of the Company pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST. If either Resolution 5 or Resolution 6 is not passed, Mr Wee Sung Leng will step down as a Director of the Company and the Company will endeavour to fill the vacancy within two months, but in any case not later than three months.

   Mr Wee Sung Leng will, upon re-election as a Director, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Disclosure of information on Directors seeking re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

3. The proposed Ordinary Resolution 8, if passed, will authorise and empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

4. The proposed Ordinary Resolution 9 if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the awards under SMI PSP which was approved at the extraordinary general meeting of the Company on 30 July 2014, provided always that the aggregate number of shares to be issued under SMI PSP, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) for the time being.

5. The proposed Ordinary Resolution 10 , if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the options under SMI ESOS which was approved at the extraordinary general meeting of the Company on 23 July 2017, provided always that the aggregate number of shares to be issued under SMI ESOS, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) for the time being.

IMPORTANT NOTES:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this Notice will not be sent to members**. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at http://sin-mi.listedcompany.com/newsroom.html. This Notice will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 13 July 2022. This announcement may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

3. To keep physical interactions and COVID-19 transmission risks to a minimum, a member will not be able to attend the Annual General Meeting in person. Instead, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 July 2022, being 7 working days before the date of the Annual General Meeting.

6. The Chairman of the Meeting, as proxy, need not be a member of the Company.

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.

   in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

8. The Annual Report 2022 may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

LIVE WEBCAST OF THE COMPANY'S ANNUAL GENERAL MEETING TO BE HELD ON 28 JULY 2022

The Board of Directors ("**Board**") of SMI Vantage Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to:

(a) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means;

(b) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, which was gazetted on 13 April 2020 and is deemed to have come into operation on 27 March 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies in Singapore; and

(c) the joint statement released by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020, and 4 February 2022) which provides additional guidance on the conduct of general meetings amid the evolving COVID-19 situation,

(collectively, the "**Orders**").

With reference to the Orders, the Company wishes to inform that it will hold its AGM on 28 July 2022 at 2.00 p.m. (Singapore Time) by electronic means through a live webcast of the proceedings comprising both video (audiovisual) and audio-only feeds ("**Live AGM Webcast**").

INSTRUCTIONS TO SHAREHOLDERS

Shareholders are to note the following instructions with regard to the Live AGM Webcast:

1. Alternative arrangements for participation at the AGM

(a) To keep physical interactions and COVID-19 transmission risks to a minimum, shareholders will not be able to attend the AGM in person.

(b) Shareholders may participate at the AGM by:

(i) watching or listening to the AGM proceeding via a live webcast;

(ii) submitting questions in advance of the AGM; and/or

(iii) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM, respectively.

(c) Investors who hold the Company's shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, and who wish to participate in the AGM by:

(i) watching or listening to the AGM proceeding via a live webcast;

(ii) submitting questions in advance of the AGM; and/or

(iii) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM, respectively,

should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

2. **Registration to attend Live AGM Webcast**

(a) All shareholders who wish to follow the proceedings of the AGM through the Live AGM Webcast must pre-register online to create an account at the URL: https://conveneagm.sg/SMIVANTAGEAGM2022 ("**Pre-registration**") to enable the Company to verify their status as shareholders. The website will be open for Pre-registration from **14 July 2022, 9.00 a.m**. and will close at **26 July 2022, 2.00 p.m**. (the "**Registration Deadline**").

(b) Investors who hold shares through depository agents (as defined in Section 81SF of the Securities and Futures Act 2001) and wish to watch the Live AGM Webcast must approach their respective depository agents to pre-register by **5.00 p.m. on 19 July 2022** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

(c) Following the verification, authenticated shareholders will receive an email on their authentication status by **27 July 2022, 12.00 p.m**., and will be able to access the Live AGM Webcast using the account created.

(d) Shareholders must not forward the login details to join the Live AGM Webcast to other person who is not a shareholder of the Company and/or who is not authorised to attend the Live AGM Webcast. Recording of the Live AGM Webcast by shareholders in whatever form is also strictly prohibited.

(e) Shareholders who have pre-registered by the Registration Deadline but do not receive an email response by **27 July 2022, 12.00 p.m**. may contact the Company's Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 or sg.is.proxy@sg.tricorglobal.com, with the following details included: (i) the full name of the shareholder, and (ii) his/her/its identification/registration number.

3. **Proxy Voting**

(a) As the Company's Constitution currently does not allow shareholders to submit their votes online, all shareholders who wish to vote at the AGM have to submit their proxy forms in advance and appoint the Chairman of the AGM as their proxy.

(b) **Submission of proxy forms.** The duly completed and signed proxy form must be deposited via either the following means:

(i) **by post** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

(ii) **by email** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case, **by 26 July 2022, 2.00 p.m**. (being not less than forty-eight (48) hours before the time for holding the AGM).

(c) A shareholder who wishes to submit a proxy form must first download it from the SGXNet at https://www.sgx.com/securities/company-announcements or the Company's website at http://sin-mi.listedcompany.com/newsroom.html, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

(d) **Shareholders are strongly encouraged to submit completed proxy forms via email.**

(e) Any incomplete or unsigned proxy forms will be treated as voided.

(f) The proxy form is not valid for use by CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 19 July 2022.**

4. **Submission of Questions**

(a) **Shareholders will not be able to ask questions during the Live AGM Webcast, and therefore it is important for shareholders to pre-register and submit their questions in advance of the AGM.**

(b) **Submission of questions**. All shareholders can submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, in the following manner:

(i) **by post** to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

(ii) **by email** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.

(c) When sending in their questions by post or email, shareholders are required to provide the Company with the following details to enable the Company to verify the shareholders' status:

- their full name;
- their address; and
- the manner in which they hold shares in the Company (e.g. via CDP, CPF or SRS).

(d) **Deadline to submit questions**. All questions must be submitted **by 2.00 p.m. on 21 July 2022.**

(e) **Addressing questions**. The Company will endeavour to address all substantial and relevant questions which shareholders have submitted in advance by **2.00 p.m. on 24 July 2022** via the SGXNet and the Company's website. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on the SGXNet and the Company's website.

5. **Annual Report 2022 and related documents**

The Annual Report 2022 may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

6. **Key dates/deadlines**. In summary, the key dates/deadlines which shareholders and investors should take note of are set out in the table below:

Key dates	**Actions**
9.00 a.m. on 14 July 2022	Shareholders may begin to pre-register at https://conveneagm.sg/SMIVANTAGEAGM2022 for Live AGM Webcast.
5.00 p.m. on 19 July 2022	Deadline for CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
2.00 p.m. on 21 July 2022	Deadline for shareholders to submit questions.
2.00 p.m. on 24 July 2022	Deadline for the Company to address the shareholders' questions.
2.00 p.m. on 26 July 2022	Deadline for shareholders to: ● pre-register for Live AGM Webcast; ● submit proxy forms appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.
12.00 p.m. on 27 July 2022	Authenticated shareholders will receive an email on their authentication status by **27 July 2022, 12.00 p.m**., and will be able to access the Live AGM Webcast using the account created. Shareholders who have pre-registered by the Registration Deadline but do not receive an email response **by 27 July 2022, 12.00 p.m**. may contact the Company's Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 or sg.is.proxy@sg.tricorglobal.com, with the following details included: (i) the full name of the shareholder, and (ii) his/her/its identification/registration number.

If a shareholder or an investor has a question regarding any of the above procedures, please contact the Company's Share Registrar, Tricor Barbinder Share Registration Services, at +65 6236 3550/ 6236 3555 (Mondays to Fridays, excluding public holidays, between 9.00 a.m. and 4.00 p.m.) or via email to sg.is.proxy@sg.tricorglobal.com.

Subject to any revision of the Orders, government or any regulatory bodies imposing any new restrictions, the Live AGM Webcast will be conducted on 28 July 2022 with the above stated instructions. Shareholders are advised to regularly check the Company's announcements on SGXNet for any changes or updates on the AGM.

The Company would like to thank all shareholders for their patience, understanding and cooperation in enabling us to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO

13 July 2022

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Wee Sung Leng and Mr Sam Chong Keen are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 July 2022 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	**MR WEE SUNG LENG**	**MR SAM CHONG KEEN**
Date of Appointment	6 November 2013	31 January 2022
Date of last re-appointment	26 July 2019	N/A
Age	57	69
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr Wee Sung Leng (“Mr Wee”) for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Wee possesses the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr Sam Chong Keen (“Mr Sam”) for re-appointment as Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Sam possesses the experience, expertise, knowledge, and skills to continue contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of the Nominating Committee and the Remuneration Committee and member of the Audit Committee	Lead Independent Director Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee
Professional qualifications	Bachelor of Accountancy from the National University of Singapore	- Bachelor of Arts (Engineering Science and Economics) (Honours) Degree - Master of Arts Degree from the University of Oxford - Diploma from the Institute of Marketing, United Kingdom

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**MR WEE SUNG LENG**	**MR SAM CHONG KEEN**
Working experience and occupation(s) during the past 10 years	**April 2021 to present:** Independent Non-Executive Director of Hoe Leong Corporation Ltd. **Apr 2019 to present:** Independent Non-Executive Director of Combine Will International Holdings Limited **May 2018 to June 2019:** Chief Financial Officer of MoneyMax Financial Services Ltd. **Sep 2017 to Apr 2018:** Finance Advisor of MoneyMax Financial Services Ltd. **May 2014 to Feb 2016:** General Manager, Head of Group Corporate Affairs of Straits Corporation Pte. Ltd. **May 2013 to May 2014:** Assistant Vice President of IL&FS Global Financial Services Pte Ltd **Sep 2008 to Oct 2012:** Executive Director & Co-Head of Maybank Kim Eng Corporate Finance Pte. Ltd.	Non-Executive & Independent Chairman of Stamford Tyres Corporation Limited Independent Director of A-Smart Holdings Ltd. Chairman & Independent Director of Lion Asiapac Limited Independent Director of Parkson Retail Asia Limited
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in the Company: 363,636	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	MoneyMax Financial Services Ltd.	NIL
Present	1. Combine Will International Holdings Limited 2. Fortune Green Global Corp. 3. Hoe Leong Corporation Ltd.	1. Lion Asiapac Limited 2. Stamford Tyres Corporation Limited 3. A-Smart Holdings Ltd. 4. Parkson Retail Asia Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**MR WEE SUNG LENG**	**MR SAM CHONG KEEN**
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Director	**MR WEE SUNG LENG**	**MR SAM CHONG KEEN**
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR WEE SUNG LENG	MR SAM CHONG KEEN
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

SMI VANTAGE LIMITED

(Company Registration Number 200505764Z)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website at http://sin-mi.listedcompany.com/newsroom.html.

A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT:

1. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person.** A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
2. This Proxy Form is not valid for use by CPF/ SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/ SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 19 July 2022 to submit their votes.
3. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2022..

I/We, ______________________ (Name) ______________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a member/members of SMI VANTAGE LIMITED (the "**Company**"), hereby appoint the **Chairman of the Meeting** as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on 28 July 2022 at 2.00 p.m. (Singapore time) and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Audited Financial Statements for the financial year ended 31 March 2022 together with the Directors' Statements and the Independent Auditors' Report thereon.			
2.	Approval of Directors' fees amounting to S$160,000 for the financial year ended 31 March 2022.			
3.	To re-elect Mr Wee Sung Leng, a Director who is retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election.			
4.	To re-elect Mr Sam Chong Keen, a Director who is retiring under Article 97 of the Company's Constitution and who being eligible, will offer himself for re-election.			
5.	Approval for continued appointment of Mr Wee Sung Leng as an independent director, for the purpose of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST.			
6.	Approval for continued appointment of Mr Wee Sung Leng as an independent director, for the purpose of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.			
7.	To re-appoint Messrs PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
8.	Authority to allot and issue new shares in the Company and make/ grant/offer Instruments.			
9.	Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan.			
10.	Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme.			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this ________ day of ______________ 2022

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature of member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares held by you.

2. **To keep physical interactions and COVID-19 transmission risks to a minimum, a member will not be able to attend the Annual General Meeting in person. Instead, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

3. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 July 2022, being 7 working days before the date of the Annual General Meeting.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.