Securities Investors Association (Singapore)
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Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: SMI Vantage Limited

Stock code: Y45

Meeting details:
Date: 28 July 2022
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the CEO's message, the group has acquired cryptocurrency mining machines to venture into cryptocurrency mining.

On 30 March 2022, the company announced that it was on track to complete the installation of *3,100* [emphasis added] cryptocurrency mining machines in two locations in Southeast Asia by end of May 2022.

On 12 May 2022, the company announced that it has started cryptocurrency mining operations in Bandar Seri Begawan, Brunei with 1,500 cryptocurrency mining machines "which form part of the *3,000* [emphasis added] cryptocurrency mining machines previously announced".

(i) **Can management clarify the number of cryptocurrency mining machines bought and owned by the group? How many machines have been delivered to the group?**

(ii) **In addition, how many machines have been installed in Brunei and/or Malacca?**

(iii) **What caused the delay in the delivery and installation of the machines?**

(iv) **What are the specifications of the cryptocurrency machines?**

(v) **What was the level of due diligence carried out by the board on its partners, including The9 Limited and Hang Zhou Suan Li Technology Co Ltd ("NHASH")? In particular, how well established is NHASH and what were the selection criteria used in picking NHASH?**

(vi) **Given that most, if not all, cryptocurrencies have declined in prices, how has that affected the group? Will the group's cryptocurrency mining still be profitable?**

(vii) **What is the amount of capital earmarked for the expansion into cryptocurrency mining?**

Q2. The Yangon International Airport was reopened on 17 April 2022 to international flights and the group's partners in the travel retail sales segment have resumed their operations.

(i) **For the benefit of shareholders, what is the pick-up in the number of flights and visitors to the country so far? In management's view, when will tourist arrivals return to the pre-pandemic levels?**

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(ii) **What is the consumer sentiment in Yangon given the pandemic and the political situation in Myanmar?**

(iii) **What is the current financial status of the group's major distributor(s)/customer(s) given that the country has shut its national borders for more than two years and in view of the challenging economic conditions?**

For the financial year ended 31 March 2021, the former auditor had issued a disclaimer of opinion as the then-auditor was unable to obtain sufficient appropriate evidence to independently support, substantiate and verify the company's assumptions and estimates. The bases for disclaimer of opinion were (a) trade receivables, (b) non-financial assets, (c) receivables from subsidiaries, associates and joint ventures and (d) going concern.

(iv) **Can the board/audit committee help shareholders better understand how the newly-appointed auditor was able to satisfy themselves and obtain sufficient appropriate evidence to independently support, substantiate and verify the company's assumptions and estimates?**

Q3. On 30 November 2021, Mr Tan Boon Gin, chief executive of Singapore Exchange Regulation (SGX RegCo), gave guidance that companies are expected to use the two-tier rule sparingly to promote renewal and succession planning[1].

At the AGM scheduled to be held on 28 July 2022, the company is proposing to re-elect Mr Wee Sung Leng and is seeking shareholders' two-tier vote for the continued appointment of Mr Wee Sung Leng as an independent director. Mr Wee Sung Leng would have served the board beyond nine years from the date of his first appointment on 6 November 2013, i.e. 5 November 2022.

(i) **What deliberations did the board/nominating committee (NC) have over SGX RegCo's guidance on the selective use of the two-tier vote for long tenured independent directors?**

(ii) **Will the continued appointment of the long-tenured independent director impede/delay the progressive renewal of the board? Are there any challenges faced by the board in identifying and onboarding of new board members?**

[1] https://www.businesstimes.com.sg/companies-markets/answer-my-question-before-i-vote-sgx-regco-sets-new-timelines-for-companies-to

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Separately, on 24 January 2022, the company announced the appointment of Mr. Sam Chong Keen with effect from 31 January 2022. A snapshot of the company's announcement is reproduced below:

CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR

Announcement Title
Change - Announcement of Appointment

Date &Time of Broadcast
24-Jan-2022 17:46:42

Status
New

Announcement Sub Title
Appointment of Non-Executive and Lead Independent Director

Announcement Reference
SG220124OTHR2CYD

Submitted By (Co./ Ind. Name)
Mark Francis Bedingham

Designation
Executive Director, President and CEO

Description (Please provide a detailed description of the event in the box below)
Appointment of Non-Executive and Lead Independent Director

Additional Details

Date Of Appointment
31/01/2022

Name Of Person
Sam Chong Keen

Age
68

Country Of Principal Residence
Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)
The Nominating Committee ("NC") had reviewed the qualifications, working experience and independence of Sam Chong Keen and recommended his appointment.

The Board having considered the recommendation from the NC, approved the appointment of Sam Chong Keen as a Non-Executive and Lead Independent Director.

Whether appointment is executive, and if so, the area of responsibility
Non-Executive

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)
Lead Independent Director, Chairman of Audit Committee, member of Remuneration and Nominating Committee

(Source: company annual report; emphasis added)

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(iii) **Can the company/NC disclose the selection criteria and the search and nomination process, as required by the SGX template?**

(iv) **Can the NC/director help shareholders better understand Mr Sam Chong Keen's track record of doing business in Myanmar and experience and familiarity with cryptocurrencies?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)